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**Tuesday 29 January 2008**

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des débats  
(Hansard)**

**Mardi 29 janvier 2008**

**Standing committee on  
finance and economic affairs**

Pre-budget consultations

**Comité permanent des finances  
et des affaires économiques**

Consultations prébudgétaires

Chair: Pat Hoy  
Clerk: William Short

Président : Pat Hoy  
Greffier : William Short

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Hansard Reporting and Interpretation Services  
Room 500, West Wing, Legislative Building  
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Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Tuesday 29 January 2008

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Mardi 29 janvier 2008

*The committee met at 0900 in the Ambassador Conference Resort, Kingston.*

## PRE-BUDGET CONSULTATIONS

## ALLIANCE TO END HOMELESSNESS

**The Chair (Mr. Pat Hoy):** The standing committee on finance and economic affairs will now come to order. We're pleased to be in Kingston today.

I call on our first presenter, the Alliance to End Homelessness in Ottawa, if you would come forward, please. Good morning. You have 10 minutes available for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

**Mr. Perry Rowe:** Good morning. My name is Perry Rowe. In my full-time position, I am the executive director of the Salvation Army Ottawa Booth Centre, but I sit here today as the chair of the Alliance to End Homelessness, a coalition of over 70 community agencies and numerous concerned individuals committed to working towards ending homelessness.

First of all, let me thank you for the opportunity to present here today. Despite the nasty weather, I think it's not going to be a bad day at all.

Our coalition members are diligently working toward an inclusive community that takes responsibility for ensuring that every resident of our city has a place to live, an appropriate home. Our member agencies are shown in the list on page 6 of the written presentation that we have. We represent a cross-section of interests in our communities, ranging from those that are listed there—the aboriginal community, the francophone community, housing loss prevention, mental health and addictions, shelters, the social housing network—to many more, as listed there. We also speak on behalf of ordinary people in our community who are concerned about homelessness and the urgent need for action to end it.

For the last three years, we at the alliance have been producing a report card on how we've been doing in our community. The report cards are released at the start of March each year, and the interest of the community continues to grow as to what these results are. If you would like to see those results or more on those report cards, they are available on our website, which is noted further on in the presentation. Our fourth report card is

about to be produced and we would be happy to provide you with a copy of that. That should be released early in March.

Today we would like to lay out four effective opportunities to end homelessness in Ontario, to address the priority commitments in the Liberal campaign platform, and to make suggestions for this 2008 budget.

In spite of the government's efforts—and we commend you on those efforts that you have made to date—homelessness remains a crisis across Ontario and in the Ottawa community. In our community alone, 9,000 people—families and individuals—experienced the devastation of homelessness last year. It may seem like a daunting prospect, but solutions do exist.

We recognize the necessity for each level of government to act on its own and also the need for the three levels of government to work together to end homelessness. We have come to the inescapable conclusion that resolute action on four provincial policy areas will end homelessness. On behalf of those facing homelessness in our community, we urge the committee to strongly recommend adequate increases in the following four areas.

First of all, the amount of and the annual provincial commitment to funding for affordable housing and supportive and supported housing at the community level: Until we increase the housing stock and the level of affordable housing, our attempts to end homelessness are going to fail. We will only be doing those things which are necessary to maintain the status quo. Until we start moving towards a higher level of stock and putting those other support pieces in place, we will not be successful.

We're also recommending increases in mental health and addictions services so that they meet the current need. We have a system that is sadly underfunded. The result of that is the inadequacy of the system to be able to respond to the growing nature of the mental health and addictions problems. While we understand and applaud some of the steps taken in the past few years to go to a different system, the LHINs system, by putting into that system agencies and a system that were already sadly underfunded, we again cannot keep up with the needs that exist in the community. In the city of Ottawa alone, there is a three- to four-month waiting period for somebody to get into an addictions program. If I have somebody today who wants to move out of their situation with an addictions problem, I have nowhere to put them, and

they may have a three- to four-month wait before I can get them into a program. With youth, I have nowhere to put them. The closest place that we can send somebody is up in North Bay, and those spaces are so full that we've had instances in the past little while where our families are sending youth to the States in order to address the problem of youth addictions, and even the mental health side of things.

We're also asking for sufficient increases to the rates for Ontario Works and Ontario disability support program benefits, tying those rates to average rents. To give you an example, for a single mother living in the Ottawa market in a non-subsidized housing unit who gets \$900-odd a month, paying \$745 for rent is not a way to keep somebody housed. And those are instances that are lived out time and time again.

We're also asking that you increase the minimum wage at a faster rate to allow those workers to meet minimal expenses for rent, food and other basic needs in the cost of living. We applaud the fact that this government has moved forward on committing to improving and increasing the minimum wage, but 2010 is going to be way too late. We have individuals who are falling off the grid into homelessness today who could indeed continue to be self-supporting working people but, because of the lack of the ability to maintain their housing and to maintain a living because of the low wages, are just unable to do so.

To give you some examples—I'm not going to read word for word this entire presentation, but I will bring your attention in that matter to table 2 on page 4. If you look at that table, it shows the hourly income to pay Ottawa's 2007 rents, the minimum wage that would be required for, first of all, a single room that rents in the Ottawa area at \$450 a month. The minimum wage that you would have to earn would be \$8.65. It would be \$12.37 in order to be able to afford a bachelor apartment. A one-bedroom apartment, at \$798 a month, would be \$15.35. You can understand when we say that that single mother, without any type of subsidy or any type of assistance, finds it very difficult to be able to deal with it. So we are asking that those appropriate actions be taken.

Our brief also shows, on page 5, the results of the 2006 indicators of homelessness and 2006 grades, and the indicators there that were published in our report card in 2006. To basically sum up, we're saying that if we were to address the four areas that are indicated here, it would certainly put us on a track that would help us move toward solving the issue of homelessness.

The incentive in all of this is that solving homelessness not only impacts one ministry within the government structure; it impacts many ministries. It doesn't just impact the Ministry of Community and Social Services. When we look at the work that's being done in our health ministry to reduce wait times and we consider that homeless individuals are more likely to spend more time in our emergency waiting rooms because of health, mental illness and addictions issues, then by solving homelessness, you are also working on the wait times; you are also helping the health situation. When you look at the num-

ber of times homeless individuals are more likely to be involved with the criminal justice system or with police interactions—I'll give you an example. We had police indicate to us that one individual we have been dealing with over the past little while has, over the past two or three years, had 4,000 encounters with the Ottawa Police Service prior to being housed. Now, you add up the dollars that are involved—

**The Chair (Mr. Pat Hoy):** You have about a minute left.

**Mr. Perry Rowe:** Okay. If you add up those dollars and you look at that, in the year that this individual has been housed, with supports around that individual, they have had four interactions with that individual. That makes a big difference. So the incentive is there for us to make a big impact by solving a problem that people look at as being a one-ministry problem only, or a one-area problem only, and that will make a whole lot of difference in a lot of other ministries across the government.

Again, we thank you for this opportunity, and I would welcome any questions that you might have.

**0910**

**The Chair (Mr. Pat Hoy):** The questioning goes to the official opposition. Mr. Barrett.

**Mr. Toby Barrett:** Thank you, Mr. Rowe. I appreciate your presentation on behalf of the Alliance to End Homelessness. You refer to statistics in the Ottawa area: over 9,000 people homeless and in addition to that—I just want to make sure that the figures are right—you also measure 9,000 people at risk of homelessness.

**Mr. Perry Rowe:** Yes.

**Mr. Toby Barrett:** So it's 18,000 people we're talking about here?

**Mr. Perry Rowe:** And those are the measurable ones. Those are the ones that are on the radar screen. You continue to hear the words, "the hidden homeless." One of the studies that was done recently through CHEO, the children's hospital, with a researcher, indicated that there were probably many, many more households that were one paycheque, one disaster away. But those are the ones we have interactions with and are able to measure at this point in the game.

**Mr. Toby Barrett:** If they go to a shelter, they're counted as homeless; if they're staying in a shelter?

**Mr. Perry Rowe:** They are counted within the system, yes. If they're staying on a couch, if they're staying with—there's lots of crowding that's going on that's never counted because you don't see that. You have three, four or five families living in a place that maybe one large family could have existed in, but those are the types of things that we can't count. But if they go inside the shelter doors or if they've had those interactions or have been counted on the street, they're considered part of the homeless numbers.

**Mr. Toby Barrett:** Just a quick one; my colleague has a question with the Ottawa figures. Ontario figures: You talked about a gradually growing rate. I know the economy has been good for the last 10 years. Has it been growing over the last 10 years?

**Mr. Perry Rowe:** Yes, it has, and the growing economy can have a negative effect on homelessness if the pieces are not in place. So, for instance, in some areas where the prices of housing have grown because the economy is becoming so good, it's similar to what we see in the western provinces, where when the economy booms the housing prices go up, the market prices go up and the ordinary person, the person who is working in the service industry or on OW or ODSP, can't afford to live in that same place.

**The Chair (Mr. Pat Hoy):** Mr. Yakabuski.

**Mr. John Yakabuski:** Thank you very much, Mr. Rowe, for your presentation. Recently, one of the local members in Ottawa, who also happens to be the Minister of Community and Social Services, mused about moving all of the services that are concentrated in the downtown area out of the downtown area. That seemed to spur a debate with regard to whether this would be positive or negative with regard to the services being offered to those who are homeless and most vulnerable. Can you comment on that?

**Mr. Perry Rowe:** We have a dream that we too at some point would be able to move our services out into the community. The problem is a static problem at the moment, and that is where the concentration of the shelters are and, up until recently, the only place that they could exist.

If we solve the pieces of homelessness, if we have sufficient affordable housing, if we are able to move with that the supports around individuals and place them out of emergency shelters, which is costing this government and the municipalities an enormous amount of money, if we're able to move them out into appropriate housing with appropriate supports, first of all it will cost you less because you can do it much more cheaply if they're put into appropriate housing with supports around them. Then you could do it basically anywhere in the community. If you were going to create housing projects at numerous locations around—you're not recreating shelters; you're recreating housing for ordinary citizens who happen to be concentrated in the shelter system, but they're just like you and I, and there's no reason why they can't be in any other type of housing complex in the city of Ottawa, provided that the supports go around them. But until we get to that day that we have sufficient housing, sufficient supports and sufficient income support, that's not going to happen and we'll just be trying to maintain the status quo. We, as service providers, would love to put ourselves out of business and do other things, like providing those supports. But right now we're at a concentration that, with no places to put them, we're going to stick at for a long, long time unless action is taken.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation.

#### RAILWAY ASSOCIATION OF CANADA

**The Chair (Mr. Pat Hoy):** I call on the Railway Association of Canada to come forward, please. Good

morning. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

**Mr. Cliff Mackay:** My name is Cliff Mackay. I'm the president and CEO of the Railway Association of Canada. First, let me say thank you, Mr. Chairman, through you to the committee for the opportunity to appear today.

The Railway Association of Canada is the single voice of railways operating in Canada and here in Ontario. In Ontario, we have about 20 members in the freight, inter- and intra-city passenger, short-line, and regional railway businesses. As the president and CEO, I'm pleased to have the opportunity to present the views of our members regarding measures that the government of Ontario should take to improve the competitiveness of Ontario's railway system, and in particular the short-line part of that system.

Looking ahead at the challenges that we see for Ontario, including difficulties in the manufacturing sector, environmental sustainability issues, regional economic development challenges and transportation challenges, particularly with issues like congestion, we see rail as a significant part of the solution to any and all of those problems.

I'd like to focus my remarks this morning specifically on the challenges facing the short-line industry. For your information, short-line railways tend to be small or medium-sized businesses. They connect local communities and local industries to the networks of the large continental railways like CN or CP. That's essentially their role in life. Anywhere from about 12% to 15% of the total freight volume that moves in Ontario originates with these companies.

The province is home to 13 short lines, which is the largest number of any province in the country. They're serving industries with revenues in excess of about \$4 billion a year. As such, short lines are a critical part of the promotion of the regional economies in the province. They link small and medium-sized communities to the overall networks of the large class 1 railways. They connect these communities to the whole North American and international market.

In a recent study which was jointly commissioned by the Ontario Ministry of Transportation and ourselves, it was determined that the overall economic and social benefits of Ontario's short lines was up to \$1.1 billion a year, with core economic benefits—i.e., direct benefits, hard, measurable benefits, not benefits associated with the environment and those sorts of things—in the range of about \$260 million to \$600 million a year, depending on which intermodal assumptions you wanted to make.

The issue that faces Ontario's short lines from a business point of view is that while they provide a very good and cost-effective service, they are small and they do not generate enough revenues to replace their basic infrastructure. By basic infrastructure I mean the bridges and the tracks that they run on. They can manage their

business to cover their operating costs, to cover their rolling stock costs, to cover all these other things, but over time, what we're seeing happen is that this infrastructure is being used up, and it's extremely difficult to replace. That is putting at risk a number of communities and, frankly, some local economies.

In addition, short-line railways are very well positioned to help in the solution to some of our environmental issues. For example, with regard to greenhouse gases, if the short-line industry of Ontario were to disappear and we were to shift that traffic onto the highways through truck traffic, you would generate an additional 73,000 tonnes of GHGs every year—a major incremental kick-up in GHGs.

Given the tremendous public benefits and, frankly, economic benefits from short lines, we would like to make a couple of proposals to the provincial government which would help their current situation. We have two specific recommendations.

First, we would like the government to implement the proposed low-density-line property tax credit to offset property taxes whereby railways that operate in low-density rail lines, i.e., short lines, would be fully refunded for the education portion of the property tax applied to their rights-of-way. Ontario is the only province that charges property tax on railway rights-of-way, even though you provide absolutely no services of any description in those locations. We think this would make a significant difference. It would amount to less than \$10 million a year of revenue, but it would make a huge difference to the economic viability of short lines. We would ask the province to look carefully at that proposal. We've consulted in detail with provincial officials and others, and we think it's time for the Legislature and the political leadership to look at this issue.

**0920**

The second proposal we would make is for the province of Ontario to enter into a shared funding agreement with the government of Canada and Ontario's short-line industry to establish an infrastructure program to renew the basic rail infrastructure I referred to earlier. Ontario's short lines require upgrading to accommodate the North American standard of 286,000 pounds per car weight. Many of the short lines are now operating at the old standard of 263,000, and it creates significant productivity and other problems and also slows down the system. Very few short lines can afford to do this on their own, and we believe a public-private partnership is more than justified, given the broader public benefits that would also be derived from this project.

In conclusion, the Ontario government has a tremendous opportunity, in our view, to make an important contribution to Ontario's short-line railways, and to Ontario's overall transportation network, through the implementation of the low-density tax credit and through the launching of a short-line infrastructure package. Modest assistance from the government of Ontario would ensure the continuing viability of this very important and strategic part of our transportation network.

I will be happy to answer any questions you may have. Thank you very much for your time.

**The Chair (Mr. Pat Hoy):** Thank you for the presentation. The questioning will go to the NDP.

**Mr. Michael Prue:** You made the statement that we are the only province to impose this taxation. When did we do this?

**Mr. Cliff Mackay:** It goes back quite some time. I can't give you the exact date, but it's been around for at least 10 or 15 years. I'd have to go back and research and find precisely when it was brought in, but most provinces have recognized that this is, frankly, a non-productive tax which doesn't help anybody. We don't want to put financial burdens on the municipality, so we're proposing that the province look at the education portion of that tax—which of course is within the realm of the province, as opposed to the municipalities—and give a gradual tax credit depending on how low your densities are, up to a point where obviously you would not receive the tax credit because you're generating enough volume, in order to avoid the economic hardship that the tax imposes on people.

**Mr. Michael Prue:** Did other provinces institute this same tax and then get rid of it, or did they just never have it?

**Mr. Cliff Mackay:** Some provinces had the tax in the past. Quebec had it and has gotten rid of it. BC had it and got rid of it. Other provinces have never implemented this kind of tax.

**Mr. Michael Prue:** Your statement is that it amounts to less than \$10 million overall, the whole province?

**Mr. Cliff Mackay:** That's correct. In terms of the impact on provincial revenues, \$10 million doesn't sound like much if you're the government of Ontario, but it's an awful lot of money if you're a small company.

**Mr. Michael Prue:** The benefit to Ontario would be primarily environmental and perhaps economic as well?

**Mr. Cliff Mackay:** That's correct. It would make these operations more viable, and they are very important parts of the local and regional economies.

**Mr. Michael Prue:** Those would be my questions. Thank you very much.

**The Chair (Mr. Pat Hoy):** Thank you for the presentation.

#### TOWNSHIP OF LANARK HIGHLANDS LANARK COUNTY

**The Chair (Mr. Pat Hoy):** I call on the township of Lanark Highlands and Lanark county, to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I just ask you to identify yourselves for the purposes of our recording Hansard.

**Mr. Bob Fletcher:** Good morning, Chair and the finance and economic affairs committee. My name is Bob Fletcher. I'm the warden of Lanark county for 2008 and also the mayor of Lanark Highlands. Accompanying me today is Al Lunney, mayor of Mississippi Mills and

past warden for the county. We also have in attendance the CAO from the township of Lanark Highlands, Tim Simpson, and the CAO from the township of Mississippi Mills, Diane Smithson.

Some of you may remember that we made a presentation to you about two days ago last year and we were received very well. We dropped a lot of information with you and, unfortunately for municipalities, little has changed in the last 12 months. We continue to struggle to be able to provide basic services for our residents as part of a system that is clearly unsustainable in its present form.

Our goal today is to focus on solutions to challenges faced by Lanark county and its municipalities. The Provincial-Municipal Fiscal and Service Delivery Review initiative in 2006 was a great start, and we hope that the recommendations emerging from this review panel in May will be paid great attention to by the government.

I'd like to turn it over now to Mayor Al Lunney.

**Mr. Al Lunney:** It is now well documented that Ontario's infrastructure, both municipal and provincial, is crumbling. We fully support the direction the province has taken over the past few years in recognition of the infrastructure deficit and the resulting funding initiatives such as the rural infrastructure investment initiative, Ontario's partnership with the federal government and municipalities for COMRIF, the Move Ontario fund and also the gas tax rebate.

However, most of the above-mentioned programs force municipalities of all sizes, sophistication levels and fiscal and human resources capacities to compete with one another for limited funds. These initiatives do not address the infrastructure needs of municipalities, especially small rural municipalities, whose fiscal capacity to replace or develop extensive infrastructure simply does not exist. As one example, a bridge reconstruction in our municipality valued at \$250,000 represents a 6% tax increase to our municipalities. In addition, we are not located on a provincial highway, so when we look at something on the magnitude of a sewage treatment plant, we simply cannot afford it.

With regard to Mississippi Mills and our sewage treatment plant, numerous orders have been issued against us as far as our lagoon capacity is concerned. The Ministry of the Environment have told us to do an EA process; we did the EA process. They have asked us to take certain steps; we have taken those certain steps. We've completed long-range capital planning, we've undertaken rate studies, we've implemented a development charges bylaw and we are in the process of meeting the new PSAB accounting standards.

However, even by doing this and borrowing for a \$21-million sewage treatment plan, using that as an example, we simply cannot afford to do any other work. Our full borrowing capacity will be lost, as far as future construction is concerned, the issue again being that small rural municipalities must be dealt with differently as far as funding is concerned.

**Mr. Bob Fletcher:** Similarly to Mississippi Mills, Lanark Highlands is much more diversified and has much more land that is not occupied. We have a very small village with about 800 people, and for over 100 years there's been a long-standing, well-documented contamination problem.

A 2006 testing program revealed that 31% of all the wells in this small community are contaminated with coliforms, or coliforms and E. coli. When I mentioned this fact, I remember one of your members last year, Mr. Prue, being astonished that in Ontario, in the country of Canada, we have a situation that is more commonly reviewed as something that would happen in a Third World nation. We have it right in our backyard and still we are unable to come up with \$24 million to correct this problem.

We're not here just to give you our problems. We also have some recommendations for you today. We really believe that dedicated infrastructure funding should be focused on truly rural communities. The definition of "rural" of 250,000 and below is really not rural; 10,000 and below might be considered rural. We might have 250,000 trees per acre, but we don't have more than 17 people in that little area.

Funding must be predictable, sustainable and long term. Dedicated funding should be for water and waste water. Funding formulas should recognize the fiscal capacity of the applicant, and needs analysis should be incorporated into the funding formula and recognize the unique circumstances of each applicant, municipality and community.

The application process should be simplified. The complexity of programs such as COMRIF for small communities to compete with the larger communities that have hordes of engineers and writers to complete their forms doesn't make it fair. We shouldn't be in competition just to get fair funding.

#### 0930

On another note, one third of Lanark Highlands and a great majority of Lanark county is covered with crown lands. It amazes me today that we still do not receive one penny from the provincial government for the crown lands that we service with roads, ambulance, fire—anything that has to do with them—and the province doesn't have the courtesy to tell us when it's going to log them so we can go and look out for our roads and make sure they're not being damaged. These crown lands make up, like I said, a third of Lanark Highlands. Can you imagine what it would be like in the city of Toronto if we took one third of its property and said "No taxes." They'd be bankrupt. And here we are, struggling away.

The other one I would like to bring to your attention is hydro corridors. For some reason, there is a double standard. Some people get a tremendous amount of money for their hydro corridors. A small community next to us receives over \$200,000 from Hydro for their hydro corridors. We have 10 times that corridor and we receive nothing.

What we're talking about here today is fairness. We don't want you to just hand us money because of who we are; we just want to be treated fairly. If you're going to give money to Hydro, we don't ask you to re-tax and create more money; just haul it back in, find a formula and distribute it fairly. Then everybody is on the same soapbox with the same amount of money coming in for their residents. We shouldn't be in competition, day in and day out, with our neighbours, because that doesn't help anybody.

I look at the small areas around our municipality, our county, and what strikes me is that if the small communities die, what's the sense of good roads? If a good road leads to a dead village, it doesn't make sense. To me, half-decent roads leading to vibrant, small villages that drive into big cities to spend their money and increase their capability to fund themselves, makes sense to me. What doesn't make sense is when we can't afford to get in or our villages are dying.

At this time I'd like to ask Al if he has anything further to say.

**Mr. Al Lunney:** Just one very quick comment on the provincial gas tax revenue and the fact that, as you well know, rural Ontario's roads and bridges are our transit system. People pay the same provincial gas tax in rural Ontario as those in our cities and towns. They deserve to benefit from the transfer of gas tax revenues as much as people served by transit systems. It's simply a question of fairness and equity.

**Mr. Bob Fletcher:** Thank you for your time, and we will take questions if there are any.

**The Chair (Mr. Pat Hoy):** Thank you very much, gentlemen. This round of questioning goes to the government.

**Mr. Lou Rinaldi:** Thank you, Your Worships, and your staff, for being here today to bring your issues not just of your own community but of eastern Ontario, probably being a little bit more comprehensive to us.

First of all, I congratulate you folks, as wardens of eastern Ontario, for your advocacy in dealing with the government. There has been some movement, as you know. A couple of weeks ago, we were down here in Kingston. I was able to talk with you, along with a couple of other members.

Mayor Fletcher, a little bit of clarification—your opening statement that you were here last year and nothing has changed. Well, I take exception to that. There hasn't been one little thing downloaded to municipalities in the last four years; I think the trend should be uploading. Just to refresh, some things have happened in the last year.

For example, in the budget last fall the equalization over the next seven years of education tax to help industries that deal with higher education costs so that we could stimulate some economic development; the municipal fiscal review that we've embarked on—we moved a couple of issues way up the ladder even before the review, effective this January. The municipal portion of ODSP and the drug benefit plan is slowly being rolled in,

uploaded. As you know, we now have a real 50-50 funding of ambulance as of just this past fall that you never had before, and you were paying your fair share. I know the county I belong to needs \$1 million or \$2 million a year. The \$300 million that we just announced for infrastructure—a lot simpler formula to apply for, same as last year, the \$140 million. Plus, I guess, to the benefit of eastern Ontario wardens, part of our commitment is \$20 million a year—\$80 million over four years—for an eastern Ontario economic development fund.

Am I saying that we're fixing all the problems in your community? There's a lot to be done. But some recognition of the change that has happened in a very short time I think needs to be—you refer to COMRIF, the rural municipalities fund: \$250,000. That is a federal number. It's not a provincial number.

**The Chair (Mr. Pat Hoy):** Do you have a question?

**Mr. Lou Rinaldi:** I guess the question, at the end of all this—

**Mr. John Yakabuski:** No, he doesn't have a question.

**Mr. Lou Rinaldi:** Well, John, I've got the microphone.

**The Chair (Mr. Pat Hoy):** Order, please.

**Mr. Lou Rinaldi:** Yes, we listen to you. We have made some changes and we have a long way to go, and we appreciate what you bring forward here. I think, as we complete the fiscal review, you're going to see some of those things and how to best implement and work with you. So we have a memorandum of understanding with municipalities, with AMO, that whatever we do, you have a say in it.

I guess the question is, was there some change or no change?

**Mr. Bob Fletcher:** I would say yes, the change has started, but we have a long way to go, and it's quite obvious by your answer—which was a long answer—how long we have to go. I'm just hoping we can survive while we're on that long trail, that's all. We're at the wall.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation.

#### FIRST NATIONS TECHNICAL INSTITUTE

**The Chair (Mr. Pat Hoy):** Now I call on the First Nations Technical Institute to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

**Mr. William Brant:** My name is William Brant. First Nations Technical Institute is an indigenous post-secondary institute which was created in 1985, through partnerships with Indian and Northern Affairs Canada and the Ontario Ministry of Education and Training. We are federally incorporated, and I represent our board of directors.

FNTI is a pioneer in adult education. Our experiences are considered innovative and have been utilized in other institutions, both indigenous-controlled and mainstream. Our operations are entirely focused on the needs of indigenous students. We are proud of every single one of our 2,000 graduates and we hope you are too.

As an indigenous institution, FNTI does not receive operating funds in the same way as other colleges and universities. In fact, our federal and provincial sources are insecure, inadequate and unpredictable. As I sit before you today, FNTI faces a threat to its existence between an imminent 66% cut from the federal government and unfair levels of funding from the provincial government. FNTI faces the real possibility of closing its doors as of April 1, 2008. We have attempted to address this matter with both governments, but each claims that the other has primary responsibility. This is creating great uncertainty for our staff and students and their families. Hundreds of people are being negatively affected by government inertia on the most urgent issue.

Our board calls upon the members of this standing committee to send a message to your leaders and to the government of Ontario. It is time to recognize the true diversity of FNTI and other indigenous institutes representing post-secondary education. It is time to treat us with equity, fairness and justice. I thank you for this opportunity.

**Ms. Tanya King-Maracle:** *Remarks in Mohawk.*

My name is Tanya King-Maracle. I'm from Wikwemikong First Nation. I'm a graduate of the FNTI public administration and governance program, which is offered in partnership with Ryerson University. I am currently enrolled as a student in the FNTI Queen's University, pursuing my master's in public policy.

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FNTI specializes in delivering post-secondary programs which reflect the needs of indigenous people. From involving traditional teachers to ensuring strong student support, FNTI provides a learning environment which encourages students to succeed. As an indigenous institution, there is a greater opportunity to include cultural knowledge and teachings. This is extremely important to strengthen the self-esteem, self-knowledge and confidence in indigenous learners. This effort makes the learning relevant.

FNTI students are counted in the enrolment of partner institutions. In return, under the Ontario aboriginal post-secondary education and training strategy, FNTI is provided with \$1,677 per student. In other words, on a per-student basis, Ontario values FNTI students at one fifth to one seventh of a person attending a mainstream college or university. This is unfair and it's unacceptable. FNTI students work hard to complete their programs successfully. Why should we be valued at less than any other person at any other college or university? It's an awful message to be sending the indigenous people.

I encourage this committee to adopt the recommendations in FNTI's report, which will ensure that the

institute is treated with equity, fairness and justice. Meegwetech.

**Mr. Karihwakeron Tim Thompson:** *Remarks in Mohawk.*

I go by the English alias of Tim Thompson, and I'm proud to work with FNTI. I want to take a moment to acknowledge all the board members, staff and students who are able to make it here today. These are the people who are affected by the decisions that you make and the recommendations that you take forward—some of them; some of the hundreds who are affected.

What we're really affected by right now is federal-provincial bickering over who is responsible for indigenous institutes. As I stand here before you—or sit here before you—our fate is uncertain because we're not hearing from either government about what they're going to decide.

This is a true test for the government of Ontario and for all legislators. Do you believe in building positive relationships with indigenous communities? Do you believe in the value of indigenous higher education? Do you respect the need for indigenous institutions controlled by indigenous peoples? We've had a 23-year history of success and yet we face day-to-day uncertainty.

I want to point out an example. In the last session of federal Parliament, a private member's bill was adopted about something called Jordan's Principle. Jordan was a young Anishnawbe boy with severe medical issues who passed away in a hospital while federal and provincial governments argued over who should pay the costs of his treatment at home. This went on for years. He passed away before he could ever go home again.

All members supported this principle, which says that the government of first contact should assume primary economic responsibility for a child's health care. I'm urging you to take that into account and to take a recommendation forward into the Legislature that says, "We will adopt that principle on all matters dealing with indigenous peoples." Our students should not be put at risk.

We've put recommendations in our kit, and I'd like to read them for you. On an interim basis, we're recommending that the cap on the allocation for indigenous institutes under the aboriginal post-secondary education and training strategy be removed. The existing formula without the cap was agreed to between the ministry and the eight indigenous institutes in Ontario, and it serves as an acceptable interim measure while we do further work.

That leads us to recommendation 2: The further work we think we need to do is that Ontario work with FNTI and other like-minded indigenous institutions to implement a road map for the recognition of indigenous institutes, as per the recommendation of the evaluation of the aboriginal post-secondary education and training strategy. It's one of the only recommendations that has not been followed up on about that strategy in the past year.

It's recommended that the government of Ontario initiate immediate discussions with the federal government to bring clarity and certainty to the matter of jurisdiction with respect to indigenous post-secondary institutions.

Finally, it's recommended that Ontario demonstrate that it appreciates the true diversity of indigenous post-secondary institutes in the provincial post-secondary education system.

I hope we've provided some contribution to your deliberations. If you have any questions, we're free to try to answer them.

*Remarks in Mohawk.*

**The Chair (Mr. Pat Hoy):** Thank you. This round of questioning goes to the official opposition.

**Mr. Toby Barrett:** Thanks to the First Nations Technical Institute. You mentioned an over 60% cut in your funding.

**Mr. Karihwakeron Tim Thompson:** We've taken a 25% cut in the current year and we've been promised a 66% cut as of April 1 to our federal-side funding.

**Mr. Toby Barrett:** It's been running for I think 22 years. Has it always been funded by the federal government?

**Mr. Karihwakeron Tim Thompson:** It's always had a little bit of funding from both. It's been uncertain.

What happened on the federal side is that we had a multi-year agreement, which they unilaterally determined they could not maintain with a non-band-council entity. From 1994 to 2004, there was some stability at the federal level. Since 2004, it's been unstable, and now the jurisdictional issue has put us in a bind.

**Mr. Toby Barrett:** You run a high school as well. Is that funded by the province?

**Mr. Karihwakeron Tim Thompson:** We receive some provincial funding for that, yes.

**Mr. Toby Barrett:** I was just wondering—

**Mr. Karihwakeron Tim Thompson:** Actually, that's program funding. It doesn't support the—

**Mr. Toby Barrett:** The building, the capital.

**Mr. Karihwakeron Tim Thompson:** That's also federal. Sorry. I made an error there.

**Mr. Toby Barrett:** Are there other post-secondary institutions in other native communities—I should know this—or other institutes?

**Mr. Karihwakeron Tim Thompson:** There are actually seven others in Ontario, and two of them are close to your riding. We operate under the radar, I think.

**Mr. Toby Barrett:** I'm just asking these questions for the record. Everything gets tape recorded.

So your institute—how many students? What is the budget right now? We know what its percentage is.

**Mr. Karihwakeron Tim Thompson:** Student count: In the post-secondary programs, last year we had 343; at last count, current enrolment is just under 300. We do intakes through the year, so at any particular time there's a different count. Right now our budget, on the federal side, for post-secondary is \$1.5 million; on the provincial

side, it's \$671,000 under the aboriginal education strategy.

**Mr. Toby Barrett:** The Ontario Ministries of Education and Training have—I'm not sure if it's a new department—an aboriginal department. Have you been working with them?

**Mr. Karihwakeron Tim Thompson:** The responsibility for aboriginal institutes has shifted from MTCU over to the Ministry of Education aboriginal education office.

**Mr. Toby Barrett:** In Ontario, there's also a new Ministry of Aboriginal Affairs. With these issues, do you feel that you've been able to work with this new ministry? I know it's just getting up to speed. Do you see any use for that ministry?

**Mr. Karihwakeron Tim Thompson:** Well, I take the comments that have been made about trying to build relationships with indigenous communities to heart, and I hope that there's actual follow-through on that. It may be early to make some determination, but I'm hopeful that there will be follow-through.

**Mr. Toby Barrett:** One other question: I know you've come before the finance committee. Is there a forum to go before the federal government to appeal this? How does that work? Again, with different jurisdictions, I'm not how sure how they do it at the federal level.

**Mr. Karihwakeron Tim Thompson:** I'm like you, I'm not sure what the forums are. We were invited by Ministry of Indian Affairs staff to submit a business plan for consideration. We're still waiting for some kind of word. But we're in a bind. The fiscal year is approaching, and we have to hear something soon.

The other side of it is, if the feds come through—and we fully expect that they will; it's such nonsense to argue over successful post-secondary education—we don't want to have to turn around and give the money to the provincial system to subsidize it. That's why we're here today. We're asking you for fairness on the provincial side.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation.

For the committee, our 10 o'clock delegation has cancelled.

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#### JUSTICE AND PEACE COMMISSION

**The Chair (Mr. Pat Hoy):** Would the Justice and Peace Commission, Anglican and Catholic diocese, please come forward? Good morning. You have 10 minutes for your presentation, and there could be five minutes of questioning. I would just simply ask you to identify yourself for the purposes of our recording Hansard.

**Mr. Chris Forster:** Thank you. My name is Chris Forster. I am co-chair of the Justice and Peace Commission for the Anglican and Roman Catholic faith communities in this area of Kingston. This is the third brief that we, as a commission, have presented to the

committee since the present government was first elected in 2003. Our presentation this morning will focus on some of the same themes that we addressed in 2005 and 2006.

We want to focus on and discuss, in particular, the poverty and inequality that continue to stain our social fabric here in the province of Ontario.

We commend the government for announcing that a poverty reduction strategy will be introduced later this year. We take this commitment as a sign that the government has at last heard the consistent chorus of voices which for over four years now have been urging this government to get serious about social justice. As we said in our 2006 brief, our actions, more than our words, will mark our times.

We believe the government must begin to invest in three areas if its poverty reduction strategy is to be effective: child care and early learning, affordable housing, and increased social assistance. A fourth area, the fact that it is possible to work full-time and still live in poverty, can be addressed by increasing the minimum wage and updating the Employment Standards Act.

Before we join all the other organizations that are urging your committee to support these measures, our commission would like to underline a stark fact: In spite of the fact that Ontario and the rest of the country keep on getting much wealthier, our riches are actually becoming ever more unequally divided. Ours is a society broken by “unshared bread.” This gap between the rich and the rest of us is widening.

It’s widening in terms of market income. Stats Canada data reveal as follows: “Average family market income among the 10% of families with the highest incomes rose by 22% from 1989 to 2004. Meanwhile, among the 10% of families with the lowest incomes, it fell by 11%.”

It’s also widening in terms of overall distribution of wealth. According to Stats Canada, “The growing inequality in net worth during the past six years followed an increase in inequality in family after-tax income that occurred during the 1990s. This suggests that growing income dispersion over the last decade also contributed to the increase in concentration of wealth.”

A 2007 study of high-income Canadians underlined this disturbing trend: “Some 5% of individual taxfilers had incomes of \$89,000 or more in 2004. Regardless of the threshold used, incomes in the upper tail of the distribution as well as the share of total income increased substantially from 1992 to 2004. In contrast, individuals in the bottom 50% to 80% generally saw little improvement in constant dollar income.”

The national trends are reflected here in Ontario, where the economy grew from \$131 billion in 1981, when the first food banks were opening, to \$538 billion in 2005. But as the size of the economic pie quadrupled, some benefited more than others. In 1976, the average earned income of the richest 10% of Ontario families raising children was 27 times that of the poorest 10%; by 2004, that difference between the richest and poorest deciles had risen to 76 times.

Simply getting into Ontario’s job market is not sufficient to increase family prosperity. Indeed, most people are working more hours, yet the extra effort is not paying off for the bottom 40% of families with children. Between 1976 to 1979 and 2001 to 2004, the median earned family income for the richest 10% of Ontario families with children increased by 41% in inflation-adjusted dollars. The median earned family income for the bottom 40% declined slightly, and for the poorest 10%, it declined by 60%.

In the same period, the poorest families were working longer hours. The average number of weeks worked for the poorest decile rose by 14%, and the average number of weeks worked by families at the top of the heap—who had watched their incomes rise by 41%—actually declined by 10%.

Apparently, our prosperity is becoming less democratic and is not serving many of our people. A critical question for us as a commission and for all of us as a society is, who does the economy serve?

Our Justice and Peace Commission is concerned with matters economic, but that’s enough of numbers. Our main message to you, and to the government and people of Ontario, is straightforward: We must do more to make sure that the trend to social inequality is reversed. We must share our God-given endowment of wealth more equally.

Taxes, it has often been said, are the price we pay for living in a civilized society. But Ontario is still living with the tax cut legacy of the Harris-Eves years. One recent estimate shows that this legacy is costing Ontario \$16 billion per year.

We commend this government for having the political courage to restore investment in the health system early in its political mandate. But there remains real space for improvement, particularly with respect to another legacy of the former government: the downloading of social services to our municipalities.

There is room at the top. For each 1% of tax increase on incomes over \$150,000, the government would raise approximately \$300 million. A province with so much income and wealth inequality needs to address it by making its tax system fairer.

There is room in the exemption of the first \$400,000 of payroll from the employer health tax. Removing it would raise \$800 million annually.

There is room because the previous government’s reduction in capital gains taxes is costing Ontario \$1.2 billion in lost corporate and personal income tax revenue.

There is room because Ottawa has chosen not to share its surpluses with provincial and local governments, but has decided to reduce both corporate taxes and the GST. This leaves Ontario real tax room from which we could fund a poverty reduction strategy.

There is room to reverse the downloading of services onto municipalities, the level of government that is least able to levy taxes, and especially fair, progressive taxes. Kingston, like so many other Ontario cities, must raise

local property taxes year after year after year just to meet its obligations.

Ontario's cuts to transfer payments to municipalities have dropped more than Ottawa's transfers to Ontario. We urge the government to reverse this trend. The present government has just established a positive precedent in its decision to upload the costs of the Ontario disability support program, but we can do far better. There is no reason that Ontario, with 38% of Canada's population, must account for 95% of local government spending on social services or 88% of local government spending on housing.

Last spring, each member of this committee, along with every other MPP, received a copy of the book *Lives in the Balance: Ontario's Social Audit*. It was published by ISARC, the Interfaith Social Assistance Reform Coalition. That study noted the shocking fact that real social assistance rates were actually lower after three years of the current government. That's because the meagre increases in social assistance were not even enough to account for inflation.

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The question remains, are we really exercising proper responsibility for those in need in our society? Even if we consider the small social assistance increase that our most vulnerable neighbours received this past November, their incomes from public provision still remain lower than they were when this government took office in 2003.

Quebec and Newfoundland have pioneered the introduction of poverty reduction strategies by indexing social assistance rates to inflation. We urge our government to establish an independent committee to establish a set of criteria based on social justice principles. Specifically, everyone receiving Ontario Works and ODSP should be able to afford the basic necessities of life. This, for example, should allow them to afford the nutritious food basket for each region. Once social assistance rates are raised, they must also be indexed to inflation.

**The Chair (Mr. Pat Hoy):** You have about a minute left for your presentation.

**Mr. Chris Forster:** Thank you.

**Housing:** The private housing market clearly fails to provide housing that's affordable for all citizens. The supply of rental housing has remained relatively static in the face of this high demand. In fact, 47.8% of Kingston residents pay over 30% and a stunning 23% pay over 50% of their income for shelter.

We urge the government to act now on its 2003 commitment to construct 20,000 units of affordable housing. Such a renewed commitment can be married to the urgent need to address climate change by measures that will not penalize poor tenants hit by rising utility costs.

We also believe that all human life is sacred and deserving of respect and dignity. Therefore, Ontario must invest in a system of non-profit, high-quality early learning and child care services that are affordable and

universally accessible. The Harris-Eves \$153-million cut to child care has as yet not been reversed. We encourage our government to do so.

We also urge the government to raise the minimum wage to a living wage of \$10.25 per hour, effective immediately. As with social assistance rates, the minimum wage needs to be indexed to inflation, so that low-wage workers do not see their earnings eroded by inflation.

In conclusion, we want to close our presentation with a reminder that the Sisters of Providence offered to this committee three years ago:

"If the current government fails to address this diminished fiscal capacity ... it inherited from the previous government, that signals an implicit endorsement of that government's budgetary strategy."

We are encouraged by the present government's steps and its commitment to a poverty reduction strategy, and we encourage them to continue on this road. We urge you to keep those words in mind in your deliberations and recommendations to the government.

I thank you for your time and your attention.

**The Chair (Mr. Pat Hoy):** Thank you. This round of questioning will go to the NDP.

**Mr. Michael Prue:** The Harris government reduced welfare rates—as they called them then, OW—by 22%. This has never been adequately addressed: 3% the first year; zero the second; 2% in the third year, but it was only for half the year; and then 2% in the last year, but it was only for the last month. So in reality, as you said, the people are worse off.

What percentage increase do you think would be necessary to welfare and ODSP rates? Everybody says to increase it, but what percentage do you think would be necessary to have people have basic needs?

**Mr. Chris Forster:** In the Ontario alternative budget that I quoted extensively from, I think they were suggesting something in the area of 40% to 50%. Although that seems to be a large number, it would just barely enable those people to achieve the poverty level in terms of being able to buy adequate food, to afford shelter and all the other things that we've talked about.

**Mr. Michael Prue:** So if the government comes back with another 2%, that's not going to cut it.

**Mr. Chris Forster:** Well, not in our opinion, and not in the opinion of many other groups that have looked at the situation. Many of us do work in these areas of social assistance, here in the Kingston area and beyond, and we know the struggle and the suffering of the people.

**Mr. Michael Prue:** If the government determines to increase the rate—at the present time, municipalities pay 20% of the cost of welfare—can the municipalities afford to pay the additional amounts of a large increase, say 20%?

**Mr. Chris Forster:** I think municipalities have been doing what they can, but they need help from the provincial government. As we mentioned, a lot of the downloading that's taken place over many years continues to hamper their efforts. They're covering the

costs of so many more things over the last 10, 12 years. So, yes, they can do what they can, but we need help from the provincial government.

**Mr. Michael Prue:** In terms of housing, the government promised 20,000 units of affordable housing and 6,800 units of assisted housing four years ago, and they delivered 268 units of actual affordable housing. What kind of goal do you think they should set for themselves this time? And can they do it?

**Mr. Chris Forster:** Basically, we're encouraging and asking the government to fulfill their promise of providing that number of affordable housing units. I know the federal government has promised money, and money has been accessed by the province, but much more needs to be done, because the stats show that when you provide housing for people, the cost is lower than putting them into shelters and other high-cost efforts to assist people in need.

**Mr. Michael Prue:** In terms of child care, the federal government gave the government of Ontario a lot of money for child care, which they never spent. Should they be spending it?

**Mr. Chris Forster:** We'd certainly support that, yes.

**Mr. Michael Prue:** Those would be my questions. Thank you.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation this morning.

Committee, we shall recess until the next presenter arrives. I would ask you to stay in the room. We expect them at any time. We are recessed.

*The committee recessed from 1006 to 1011.*

#### CITIZEN ADVOCACY OF OTTAWA

**The Chair (Mr. Pay Hoy):** The standing committee on finance and economic affairs will now resume. We are pleased that the Citizen Advocacy of Ottawa has come in early and is willing to make their presentation. Sir, you have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

**Mr. Brian Tardif:** My name is Brian Tardif. I am the executive director of Citizen Advocacy of Ottawa. Thank you for the opportunity to present to you today.

I want to start by just giving you a little bit of background on Citizen Advocacy and then the reason I'm here. For those of you who are unfamiliar with our organization, it exists in many countries around the world and is dedicated to pairing volunteers from the community with people who have disabilities, in one-on-one relationships. These relationships can have a profound effect on both the volunteer and the person with the disability. As a community-building organization, we promote inclusion, and we create the capacity of our community to care for one another, to provide a voice for those who may need it and to encourage them to act on their own behalf at times. These relationships enhance the quality of life for a person with a disability. It gives

them a chance to exercise their rights and it gives them an opportunity to become more engaged in the community.

In Ottawa, Citizen Advocacy envisions a community that welcomes all of its members and values all of their contributions, including those who live with a disability. We have a number of programs. Our core program is, of course, our Everyday Champions program. It's the one that I just described. Over the last 34 years, we have created over 2,000 relationships between volunteers from the community and people with disabilities.

We also have a program that is very similar which has been operating for the past six years that is dedicated to seniors who have a disability and are vulnerable as a result of their disability and often experience neglect and abuse. The role of the volunteer is to assist the senior to live more independently in the community, if that's possible, or to provide, I guess, an element of protection if they live in a long-term-care setting.

**The Chair (Mr. Pat Hoy):** Could you back up a just little bit from the microphone? We're getting noise.

**Mr. Brian Tardif:** Okay. Is that better?

We also offer a resolution program, which is a community problem-solving forum for adults with a developmental disability and their families who are at risk of harm, intrusive measures or family breakdown if supports and services are not provided, or who may require support that's beyond what an individual agency in our community or our service system has the capacity to provide.

Our latest program, which is a program we were asked to implement about a year and a half ago by the Ministry of Community and Social Services, is called Real Plans for Real Life. It's a program that supports individuals who have a developmental disability and are identified as "most in need" by our local access centre for developmental services. We engage these individuals, their families and others in creating a person-centred life plan that reflects a vision of the person's future. We also work with the individual and their support network to identify the services required to support the goals of the individuals' person-centred plan.

As an organization, we're funded by the United Way of Ottawa, the Ministry of Community and Social Services and the city of Ottawa. In addition, we generate a quarter of a million dollars annually toward our annual operating budget. We do that through special fundraising, grants and donations.

As the executive director for the past 23 years, I have come to appreciate the significance of the unique perspective that our organization has on issues in the community. We play a unique role, which is a distinguishing feature of Citizen Advocacy and the result of a number of factors. First, it's the involvement of ordinary citizens who are unpaid and who are involved in unpaid relationships with some of the most vulnerable citizens of our community. This provides an independent perspective that is free from conflict of interest. We don't offer housing. We don't provide direct services. We don't hold

any authority over the person's most basic elements of daily life. So we are privileged, as a result, to have a high level of trust and respect among individuals with disabilities and their families. They turn to us for support, for direction and for somebody who will act with them and provide a champion for them.

Today I appear before you to speak specifically about a group of people who I believe continue to fall through the cracks of our community support system. Specifically, it's those who have been identified as most in need who have a dual diagnosis or complex disabilities and are residing in our hospitals.

We know that there are 120,000 people in Ontario who have a developmental disability. Approximately 25% of these people have a developmental disability as well as multiple and complex disabilities that require complex, often 24-hour supports. Some of these adults with disabilities are occupying acute care beds in our hospitals across this province for unnecessary extended periods of time; some, in acute care settings, for up to two years because there are insufficient resources at the community level to support them in their family home, in a group home or in another family home type of program in the community.

The Dual Diagnosis in Provincial Psychiatric Hospitals: A Population-Based Study that was done articulates that in-patients with a dual diagnosis have problems of greater severity than out-patients, and that resources are often limited to those with a dual diagnosis—and often, they are absent. The report goes on to state that they tend to be in-patients not because of the severity of their difficulties but because there are no appropriate places to discharge them: “Only 12% of in-patients with dual diagnosis were determined to require the in-patient hospital care they are currently receiving. If the intensive services required could be made available to them, most in-patients would be able to succeed in the community-based settings as opposed to” hospital care. The study also concludes that “37% of in-patients with a dual diagnosis have been in hospital for” more than “five years.” Our Real Plans for Real Life program at Citizen Advocacy is engaged with 17 of these people who have a significant history of hospitalization, and our experience supports these findings.

The basic daily rate for hospital care in Ottawa ranges from \$660 to \$1,200 per day. In your handout, I've given you a breakdown of the hospital rates, by hospital, according to their finance departments. The annual cost for one person occupying an acute care bed for one year ranges from \$240,990 to \$427,780. In some situations, on top of this we're adding additional supports because of the complexity of the person's disability.

In other cases, we have seen individuals discharged from hospitals, back to the care of their family, only to be readmitted to the hospital because of insufficient supports for the family or because there is no alternative in the community for their family member. Access to services is often limited to acute crisis, and even the long-term

solutions for individuals and families in crisis are limited to admissions in acute care hospitals.

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Several of our hospitals' acute care beds are being inappropriately used, at an appreciable cost to our health care system. The changing profile of individuals requires more complex supports that often exceed that which is currently available in our community. We need to ensure existing resources are better used, we need a realignment of resources, and we need more resources. That's why I'm here.

The current situation makes no economic sense. Dr. Elliott, who is an assistant professor of psychiatry at Queen's University, wrote a paper called Uneconomical Care: Estimating the Cost of Inadequate Integration of Health Services and Social Supports to Persons with Intellectual Disabilities and Mental Health Needs. In it, she explores how inadequate community supports for persons with intellectual disabilities appear to result in unnecessarily longer and more costly hospital stays. Dr. Elliott states that “delays and inadequate funding of community supports by MCSS may increase the cost of care provided by the MOHLTC which may ultimately increase costs to the entire system.” She also found that “delaying the funding of community supports increases the lengths of stay for some patients with a dual diagnosis” and that “inefficiencies exist because there are few mechanisms to plan for joint funding or an overlap of services. Some of this is due to the institutional culture of the agencies involved.”

There are several inefficiencies that include unnecessary hospitalization. A number of people we have worked with have been admitted because there is no appropriate community solution; I've already mentioned that. There are lengthy admissions because there are no community solutions available, delays in funding community placements either before or after admission, lack of shared planning and jurisdictional boundaries. These are all elements of the inefficiencies.

**The Chair (Mr. Pat Hoy):** You have about a minute left.

**Mr. Brian Tardif:** Thank you.

The current situation makes no sense on a humanitarian level. We know that our treating psychiatrists are saying that the longer these people stay in the hospital, the more negative the impact on the future success of discharge and transition plans. Dr. Elliott identifies several outcomes of an emotional and psychological nature that impact individuals and their families.

So I ask you, where is the common sense in all of this? The annual cost of supporting three individuals that we were working with last year in hospital was \$747,000. We had developed a proposal which would see these three people moved to the community at a cost of under \$500,000 a year, but there was no money. So these people continue to reside in hospital. We have another young fellow who's in hospital right now and has been in hospital for the last year at a cost of over \$350,000. We have a community solution that requires an additional

\$85,000 to bring him back to the community, but we can't do that because there is no money.

My submission goes on to offer you a series of recommendations. I don't have time to present them all, but basically the bottom line is that we need to see a realignment of resources, we need to see more resources, and we need to see much more inter-agency collaboration between the Ministry of Health and the Ministry of Community and Social Services. I have spoken with both ministers in individual meetings. They agree. They understand the nature of the problem. What I hear is, "We have to fix the system," and I agree that we have to fix the system; I think we all agree. But in the meantime, there are people who are lingering in our hospitals, not just in Ottawa, but all across this province. We need to find a solution for those people while we look at the long-term fix for our system.

Thank you very much.

**The Chair (Mr. Pat Hoy):** Thank you. This round of questioning goes to the government.

**Mr. Wayne Arthurs:** Brian, thank you so much for your presentation this morning. If I could, I'd just, on behalf of all of us, through you, thank those volunteers who work with you and other citizen advocacy organizations in this country. I'm not even sure where they are. You may be able to tell me just casually, when I give you a couple of minutes or so to respond, where some of those might be, just for our edification, if nothing else. I'm not familiar with them as such.

I met as recently as Friday in my constituency office with a local organization called Families for a Secure Future. They are working, through this transformation process that's going on with the Ministry of Community and Social Services for developmental disabilities, as a support network for families, particularly with young adult people who are developmentally delayed, challenged, or who need those levels of support. They're quite pleased with the work that we've achieved, at least from their context. It hasn't solved all the problems, but it has made it better for them.

I have a local co-op housing organization, Deohaeko, in my constituency. I worked with them as the mayor to actually get that building up and running with them. So there's some very good work that's going on by community folks, I think, generally, and certainly what you're doing in this organization is a prime example of that.

One of the great challenges, I think, as we look at the cost implications and we do that analysis of what are the hospital costs and what are the community costs—obviously, if you free up that hospital bed, you know someone else is waiting to occupy it. So although there are efficiencies in doing it a different way, it doesn't necessarily mean we're going to free up those dollars; there have to be those incremental dollars.

Because you have so much to tell us, I'd be interested, just in the 30 seconds, in the advocacy groups that might exist elsewhere that may help any of us around this table who aren't familiar with them. Secondly, take the last

couple of minutes available, if you would, to run through some of those recommendations for us so they're formally on Hansard as well as being in the hard copy.

**Mr. Brian Tardif:** In terms of citizen advocacies across the country, there is a citizen advocacy in Windsor, Ontario; there are citizen advocacies in Alberta; there are a couple of citizen advocacies in British Columbia; and there are a couple of citizen advocacies in the eastern provinces. So it's a loose affiliation across the country. There are several citizen advocacies that exist throughout the United States, as well as Australia, New Zealand, Germany, and a number of Scandinavian countries. So that's what I can tell you about where they exist.

I'm very familiar with the transformation that's going on in developmental services and, in fact, appeared before this committee last year to support transformation and what it's doing. But I also believe that transformation isn't going to respond to the needs of the folks that I've just talked about. Their needs are far too complex. So I say here in my recommendations that from the perspective of citizen advocacy, we believe it is incumbent on this government to explore a realignment of health dollars to address this serious issue. In addition, we recommend an infusion of dollars in the budget specifically targeted at creating cost-effective community solutions for this group of people.

We need new funds that need to be managed in an integrative manner between MCSS and the Ministry of Health and Long-Term Care through joint funding of collaborative service delivery models between these two ministries. Any new or targeted funding should be individualized funding and should be tracking the individual costs for increased accountability. We believe that for some of these folks, if you invest in some of their community support needs up front, after a couple of years their community support costs are going to decrease. That's why the individual tracking is important.

Protocols and appropriate placement options need to be developed that take into account the severity of the aggression that is displayed by patients who have a dual diagnosis. Interministerial cooperation is required so that patients with a dual diagnosis can access appropriate services through both systems in a cohesive manner.

For those patients whose current admission is due to the lack of appropriate alternatives in the community, funds need to be allocated to create such spaces in the community and assist these individuals to leave hospital. We know the beds will be full, but the beds will be used much better if we can see that there are people coming and going as opposed to having these beds blocked.

Those are my recommendations. I thank you and I urge the standing committee to consider the economic and humanitarian implications of what we're doing.

**The Chair (Mr. Pat Hoy):** Thank you for your submission.

The Eastern Ontario Community Futures Development Corp., if you could come forward, please.

*Interjection.*

**The Chair (Mr. Pat Hoy):** Okay.

1030

## CITY OF OTTAWA

**The Chair (Mr. Pat Hoy):** Is the city of Ottawa here?

**Mr. Peter Hume:** Yes, we're here.

**The Chair (Mr. Pat Hoy):** If you would come forward, please. I'll let you get seated there.

**Mr. Peter Hume:** Good morning, Mr. Chair and members of committee. We're pleased to be here. My name is Peter Hume and I'm the councillor for Alta Vista ward in Ottawa. I'm a member of the AMO board of directors and a member of the fiscal service delivery review political table. I'm joined this morning by my colleagues: to my right is Peggy Feltmate and to my left is Councillor Diane Deans, the chair of the community and protective services committee. We're also joined by deputy city manager Steve Kanellakos, who is responsible for the community and protective services area of the city of Ottawa.

We are here today to address the funding relationship between the province of Ontario and the city of Ottawa and, more specifically, the need for the province to continue to reassume its financial responsibilities for social and health programs currently carried by or downloaded onto municipal property tax bills. We're also here to address funding gaps under current cost-shared agreements as well as some emerging needs.

I want to say at the outset that we at the city of Ottawa have been greatly encouraged by the efforts made by the government of Ontario since it was first elected. After years of downloading, the Premier and his government have been clear that the current situation that leaves property taxpayers footing the bill for underfunded and downloaded provincial programs is unfair and cannot continue. Funding these programs through the property tax base is unsustainable. While we have shown great patience and appreciate the complexities of this issue, we need this committee to understand that the provincial government must take immediate action in the next budget to stop the underfunding of cost-shared programs and to continue to deliver on its promise to upload.

Currently, the city of Ottawa property tax bill includes \$230 million of income transfer programs and services that the province effectively controls. We eventually want the entirety of these programs and services off our property tax bill.

We are sure you will agree that included in these services are a number of income transfer programs, all of which should not be funded from property taxes, as this is a regressive form of taxation. The government of Ontario recognized this fact when it uploaded ODSP late last year. This was a small but important first step towards righting past wrongs, and we encourage you to move forward.

The committee will certainly be interested as to what the city of Ottawa believes is a fair amount to move forward on in the 2008 provincial budget. We have identified an area where immediate provincial uploading

makes the most sense and is achievable immediately. We've also identified areas where funding gaps need to be closed and where important emerging needs require provincial support.

I will now ask Councillor Diane Deans, who is the chair of our community and protective services committee, to present that portion.

**Ms. Diane Deans:** Thank you, Peter. Good morning, everyone.

To help the city return to a position of sustainability and to meet an urgent emerging need, there are three steps we are asking the province to take in 2008. These are:

(1) Close the funding gap and fix the funding formulae under existing cost-share agreements;

(2) Upload public health to 100% provincial funding; and

(3) Provide funding for a youth residential treatment facility in eastern Ontario.

Returning to number one, closing the gap, the first important step we are asking the province to take in 2008 is to close the funding gap associated with cost-shared programs and to fix funding formulae that allowed these gaps to occur in the first place.

In 2008, the funding gap is anticipated to rise to a total of \$16 million under current cost-shared agreements for child care, at \$5.155 million; public health, which is \$1.63 million; and long-term care, at \$9.21 million.

The funding gap in child care alone is expected to rise from \$1.7 million in 2007 to \$5.1 million in 2008. This is due to two critical areas of underfunding.

First, an annual \$1.2-million shortfall in provincial funding for the Best Start spaces: In 2005, the provincial government announced the Best Start initiative that included the creation of both new spaces and new subsidized spaces. These Best Start spaces were to be financed using 100% provincial funding. However, the funding formula is outdated and does not reflect true costs. For a subsidized space the province provides \$7,500 annually while the average true cost is \$10,000. For every new, provincially funded space created, the city has an annual shortfall of \$2,500.

Second, the outdated funding formula for child care does not reflect the rate of inflation or the true costs of expansion of the system. This has resulted in a compounded funding crisis in child care.

A funding shortfall of \$9.2 million is anticipated for long-term care, up slightly from 2007. This funding gap has been created by an inadequate funding formula for long-term care. The funding formula must be fixed. The province is mandated to pay 100% of nursing, personal care and program and support service. However, the current funding formula, CMI, is not sustainable because it captures a single point in time, focuses on individual residents and is subject to change annually.

The four not-for-profit long-term-care homes provided by the city of Ottawa serve a resident mix that includes an increasingly higher number of residents with dementia and increasing complexity of care needs. City homes

provide a standard of nursing care that reflects city council's commitment in the absence of a specific provincial standard. They are facing upcoming legislative requirements regarding staff training and documentation. The funding formula simply does not reflect these realities.

Moreover, as care levels across the province change, there is no net increase made to the provincial funding base. Instead, funding to long-term care is merely redistributed within the sector. The province must increase and stabilize the total funding to long-term care in 2008 to reflect the realities the city's homes are dealing with each and every day.

I now want to turn to public health. It is our city council's stated position that this important health care service must be funded by the province of Ontario. Ottawa city council has already approved the removal of funding for public health from the city's 2008 budget and future budget forecasts. The anticipated funding gap for public health in 2008, based on current cost-sharing agreements, is \$1.6 million. However, the solution we are seeking in 2008 is not to simply close the funding gap but to upload public health to 100% provincial funding.

When the full costs of public health are added to the funding shortfall, based on current cost-sharing agreements, the full funding gap for 2008 is anticipated to be \$25.8 million.

I will ask Councillor Feltmate to carry on with the presentation and its closing.

**Ms. Peggy Feltmate:** Good morning. The third budget priority is to fund anglophone and francophone residential youth treatment facilities in Ottawa. Currently, there are almost no residential facilities in eastern Ontario despite the high need. Youth under 18 in eastern Ontario can end up travelling as far as Thunder Bay to receive residential treatment. Locally, a broad-based community network has been working very hard to bring this essential need to fruition and expects to be able to raise about half the capital costs towards the project. A business case is being developed and a high-level work plan was forwarded in July 2007 by the Champlain LHIN as part of their annual service plan to the Ministry of Health for funding consideration in 2008. It is time to bring residential youth treatment facilities to eastern Ontario. This cannot be done without support and funding from the province.

These three steps represent a good start in the essential job of removing the tax burden for a range of health and social programs from the property taxpayers. Coming from a small town, I have seen the economic conditions that cause people to relocate to large centres to find work and may force them to seek help through social programs as they get established. As we all recognize, spending on public health plays a significant role in reducing the costs of the health care system as a whole. Asking property taxpayers to pay for these programs, when their impact goes far beyond the borders of one municipality, is bad policy. Given the need for the city to find solutions to its

infrastructure funding issues, the current funding arrangements for health and social programs are unsustainable.

#### 1040

We have spent the majority of this presentation talking about historical funding imbalances that need to be addressed. Before we close, we would like to address the relationship between the province and our municipality going forward, and tell you that we see you as a partner in our growth.

By starting to restore funding for transit growth through infrastructure grants and other sources of funding, you have shown us that strengthening cities and providing the services residents need have a place on your agenda. From time to time, as you would expect, we will continue to rely on your support to fund important infrastructure projects and programs as the need arises.

For example, our staff tell us that the province should consider providing an additional \$3.2 million annually to fully fund the child care wage subsidy grant system in Ottawa. This initiative provides provincial cost-shared funding to support pay equity/wage subsidy as well as other salary support initiatives so that trained staff receive a fair salary and the costs of child care services remain affordable to parents.

Finally, as stated earlier, the total cost of uploading income transfer programs and services that the province effectively controls is \$230 million. We will continue to expect progress toward uploading this full amount in future years.

In 2008, we are asking the province to build \$25.8 million into its budget to close funding gaps, fix funding formulae and upload public health to 100% provincial funding. We are also asking that the province provide funding for the urgently needed youth residential treatment facilities for anglophone and francophone youth in eastern Ontario.

We run a lean organization at the city of Ottawa and pride ourselves on keeping tax rates low while maintaining front-line services to our residents. But, like most municipalities, we face extraordinary funding challenges. Our city is growing, and we must continue to invest in important items like new infrastructure and infrastructure renewal.

We have raised taxes and dedicated money toward renewal, but people in our city are frustrated that so much of the property tax bill goes to support programs local taxes were never intended to fund. That is why provincial uploading is so important. As a first step, this means closing the funding gap and fixing the funding formulae; 100% provincial funding for public health; and funding a youth residential treatment facility in eastern Ontario.

Again, I would like to thank you for the opportunity to address the committee on behalf of the city of Ottawa, and look forward to any questions the committee may have.

**Ms. Diane Deans:** Just one other thing: The committee that I chair has asked me to raise a public housing issue with you as well. It's short. If time permits,

I can do it; if not, I have it in written form and can table it with you.

**The Chair (Mr. Pat Hoy):** You're actually over your time now. Perhaps that would come up during a question; one never knows. But certainly you can present it to the full committee.

The questioning goes to the official opposition.

**Mr. John Yakabuski:** Thank you very much for joining us this morning. I'm sure that drive, coming down from Ottawa, was not the best this morning.

A couple of things you talked about: Councillor Hume, you're on the fiscal capacity review, as is a member of my constituency in Renfrew–Nipissing–Pembroke. When the Premier announced that, the full expectation was that this was going to be released in time to deal with the 2008 budget. Can you tell us what the problems are there?

**Mr. Peter Hume:** I don't think they are problems. Both sides have recognized, and Mayor Sweet will tell you, that it's an incredibly complex issue. Both the municipal sector and the province want to ensure that we do the subject justice and present a proper consensus-based report. There's an expectation that it will be completed in the spring. It won't, however, we believe, be completed in time for this budget. So we're now asking the province to continue to do what it has shown that it did last August when it announced the uploading of ODSP, to continue to take steps towards that. The city of Ottawa is asking that the province consider uploading 100% of public health costs. Right now it's a 75-25 split. We believe that that's a reasonable expectation for the municipal sector to have.

**Mr. John Yakabuski:** On the long-term care issues, you talked about the CMI, the case mix index. I've wondered myself how this is a good way of funding homes, because it's a snapshot of a particular day and the makeup of your residences can change dramatically in a month. We're talking about aged people, some of them close to passing. That actually does happen, and then the needs of the people who fill those beds can be dramatically different.

I'm going to ask a couple of questions; maybe you can touch on them. How would we deal with that to better represent these needs and ensure that that funding is sustainable as well? You can have a snapshot on a particular day, and that's your funding for the year, and it may not represent what needs to be.

The other thing I wanted to ask about is the funding gap. Certainly, our member Lisa MacLeod has talked about a funding gap between the city of Ottawa and the city of Toronto, per household. I'd like you to touch on that if you could.

Also, if I could get a reaction—I know there was some controversy in your community, but the ministry went over your heads and decided to fund the crack pipe program that you people, as an autonomous council, decided not to fund. I know that it wasn't unanimous in your city, but once a decision is made in the city, regardless of how you felt on the issue, how do you feel about

the province coming in and telling you this is how the money is going to be spent? Some of that money certainly could be going to treatment facilities for addicts as opposed to crack pipes.

**Ms. Diane Deans:** There were a lot of questions there.

**Mr. Peter Hume:** We'll let Mr. Kanellakos answer the one about the case mix index, and then Councillor Deans will follow with the public health question.

**Mr. Steve Kanellakos:** For long-term care, I think that the issue really is the difference between providing funding for a range of services versus a fixed cost per resident. The homes do have very good information about what the resident mix is. Right now, the funding formula is based on what kind of services apply to each resident. I think that we need to try and standardize a cost per resident that takes into account the issues that are happening across the province, not just in our community. It would be clear if you looked at most long-term-care homes that the demographics are changing and we are all dealing with more dementia patients, which requires a higher level of care. I think that's the first recognition that we have to deal with.

**Ms. Diane Deans:** I think I'll—okay; we're trying to sort out who is going to answer all of those questions. On the question that you asked on the crack pipe program, certainly the committee that I chaired supported the program. As a whole, our city council made a decision to cancel it. My view, as the chair of that committee, is that the province has a responsibility for public health and if they feel that there's an area where we are not satisfactorily addressing it, then there may be a role for them. There could have been perhaps a little more consultation, but I think our council was quite divided on whether or not it was the right thing for the province to do.

**Mr. Peter Hume:** Briefly, just to continue, Ottawa and Toronto are unique parts of the province of Ontario, and the province has sought to recognize those, so I don't think it's a fair comparison to compare what Toronto does and what Ottawa does. What we're here to talk about are the funding gaps between our funding partner, which is the province of Ontario, and the city of Ottawa. We've outlined for you those changes that need to be made to fix that mix.

I'll just add, on the crack pipe program, that I think that the province of Ontario, in doing what they did, recognized their health responsibilities and have moved forward in that regard. We were acting as a board of health when we made that decision, and I don't think we were acting, quite frankly, within the reasonable bounds of a board of health, based on medical evidence. That's why our council is going to be presenting a report to the province to change how the board of health in the city of Ottawa is structured, and that's why we're making the funding recommendation to you today. We believe it's a provincial responsibility; it should be provincially funded. As a result of the decisions we're taking on health matters as a council, we're going to be asking the province to change the governance model hopefully to a more broadly based board of health in the future, to

recognize how important public health is to the citizens of Ottawa and the province of Ontario.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation.

1050

EASTERN ONTARIO COMMUNITY  
FUTURES DEVELOPMENT CORPS.

**The Chair (Mr. Pat Hoy):** Now I call on the eastern Ontario community futures development corporations to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

**Mr. Dan Borowec:** Thank you very much. My name is Dan Borowec, and I represent the greater constituency of the 15 community futures development corporations of eastern Ontario. Thank you for this opportunity today.

Among the commitments from your campaign platform, one of the first priorities as we look ahead to the 2008 budget should revolve around economic development in rural Ontario. Recognizing that individual regions of the province have differing needs, and in order to foster economic growth and job creation, the budget should reflect an investment in specific regional imbalances, which in turn could overcome what are often perceived as regional disparities. The most economical investment the province could make in eastern Ontario is an investment in rural broadband services for rural communities. Rural broadband service is infrastructure, and compared to roads and bridges, it is the lowest investment with potentially the greatest return for all of eastern Ontario.

The people of the communities of eastern Ontario are unable to get information as readily as their neighbours. It is only when one goes outside the community that one truly realizes the difference between the dirt road and the information highway. The broadband highway provides immediate knowledge related to health, education, world economic and business issues that impact locally. Seasonal and new residents, businesses and visitors look for this level of information, and the future growth of our new businesses demands it. Without broadband technology, businesses in rural Ontario will not be able to fully compete on a local or global level. Eastern Ontario lags behind the western portion of the province in terms of economic competitiveness in this area. New jobs and businesses are opening rapidly in fields that are technology-dependent, and we need to be able to provide investors who wish to locate in rural communities with a skilled workforce and access to high-speed communications. People cannot develop the skills needed to work in new jobs if the tools to learn are not provided for them. Businesses will not locate in rural communities without access to high-speed communications.

People in rural eastern Ontario are also unable to access distance education programs from their own homes due to the lack of Internet connectivity. It has be-

come necessary to constantly upgrade skills in order to remain employable. Young people want to live and work in a community that is progressive and provides them with the most opportunities possible. They study for positions in technology, and presently they must move to locations where they can apply that knowledge. The presence of high speed in their home communities may allow them to start businesses or work in local businesses that are using this technology.

Rural communities are having difficulty attracting new doctors, and our current physicians are overburdened. The ability to access credible health information through technology can assist to ease this burden on local health care systems, especially in rural areas, in answering some basic questions regarding treatment and care for individuals.

All levels of government services are providing information in various forms online, but people in some rural communities cannot access this information because their service is faulty, often timing out before the form can be downloaded. The process is not an effective way for these residents and businesses to receive government information.

Of all the priorities within the rural component of the platform, the support for rural broadband services is essential. It would be our request that the provincial government exceed its previous commitment of \$10 million to further invest in this critical piece of infrastructure and extend the term of delivery over a 24-month period. This would allow rural communities an opportunity to make greater provision within their own financial resources to accommodate public sector support. The 50% increase in your annual investment in the rural economic development fund that helps support businesses and entrepreneurs in small towns to create jobs and support local economies is an outstanding commitment to rural renewal. The support of the RED program to date has been exceptional, and increased platform commitment will reap significant return.

The creation of the \$20-million eastern Ontario development fund to attract investment in rural eastern Ontario can only increase the ability of rural communities to develop and will enhance the existing attraction strategies. It is critical that the funds support community development initiatives in an innovative manner, creating sustainable investment opportunities. It will be our contention that this fund would be grant-based and act as a catalyst for innovation and leadership in rural-based economic development initiatives.

On a broader spectrum, areas of consideration could be support to attract high-tech and biotech industries and begin focused efforts to support a skilled trades training link to local employer needs. With the current availability of physical plants due to manufacturing closures, an opportunity exists to utilize community assets as part of the attraction strategy. An investment in the existing workforce would act to complement the attraction strategy. The chief component of this approach is to make

available resources that create a culture for high-tech and biotech industries.

The creation of centres of excellence: The infrastructure currently exists to support enhanced centres of excellence within the area, especially directed toward the agro or bio-energy sector. Initial investment is required to further the research culture which has been developed.

To better coordinate economic development efforts, a coordinated approach with a regional thrust, supporting and identifying the area as having the industrial capacity and workforce availability, is critical. The need to utilize investment funds that can facilitate this coordinated approach that is working in tandem with the existing manufacturing associations and related entities will complete an overall attraction strategy.

An investment in capital pools that support new businesses and innovation would be a key element. In order to support the broader attraction strategy, there is a requirement for initial investment funds through capital pools. In attracting high-tech or biotech firms, there's significant requirement for patient capital in order to support initial research and development activities.

Finally, the establishment of Investment Ontario Inc. as an independent agency, modelled on successful agencies or efforts in other places such as Ireland and Georgia, will create the capacity necessary to develop business development initiatives in a rural setting. Since the intention of Investment Ontario Inc. will be to unite the government and the private sector to secure new investment and jobs, it appears there will be a vehicle by which this process can take place. We need to ensure that these platform commitments are supported by budgetary commitments as critical to the overall success to any rural economic development renewal in eastern Ontario.

Thank you for your willingness to provide consideration to these essential priorities.

**The Chair (Mr. Pat Hoy):** Thank you for your submission. The questioning goes to the NDP.

**Mr. Michael Prue:** Thank you very much for the submission. You started off by talking about the need for rural broadband. How much exists in eastern Ontario at this time?

**Mr. Dan Borowec:** At this juncture in time, approximately 25% of households in eastern Ontario are without connectivity. That represents about 250,000 households.

**Mr. Michael Prue:** You are asking for a relatively modest amount of money. You used the figure \$10 million?

**Mr. Dan Borowec:** That's correct. In the 2007 budget, an allocation of \$10 million was made for supporting rural connectivity in southern Ontario. Initial work that we had done had estimated that to provide connectivity throughout all of eastern Ontario, the total dollar amount was approximately \$40 million. The first \$10 million that was available through the 2007 budget was spread throughout all of southern rural Ontario. We had identified a \$40-million need specifically for eastern Ontario, and that \$40 million was public sector as well as

private sector contribution. So, the opportunity to request another \$10 million, or a figure that potentially exceeds that for eastern Ontario, would certainly make a significant difference in the level of connectivity.

**Mr. Michael Prue:** And the balance would be paid by other groups?

**Mr. Dan Borowec:** Private sector contributions.

**Mr. Michael Prue:** Okay. You went on to talk about hoping to get high-tech and biotech as a result. How do these two tie in? I guess because people get used to computers, and then they'd be able to get a job with one?

**1100**

**Mr. Dan Borowec:** That's part and parcel of the process. The other matter related to biotech, for instance, is that at this juncture in time there are numerous manufacturing concerns throughout eastern Ontario in particular which have research capacity. Part of this tie-in is that, without the initial infrastructure in place first, to then attract individuals who utilize that type of technology, it wouldn't be possible to make it go forward.

**Mr. Michael Prue:** You went on, toward the end, to talk about the experience in Ireland and Georgia. We've had other people talk about the experience in Ireland being primarily one of education: by funding higher education free of charge, things like that, to develop the Celtic Tiger. This is the first time I've heard about Ireland and broadband. Can you tell me what they did?

**Mr. Dan Borowec:** I can't. I was directing this one more toward the Investment Inc. opportunities that have been put toward the platform. I'm more familiar with the Georgia context in terms of how, using the Investment Inc. model, they've managed to segment various areas of the economy, from tourism to agriculture to real estate development to land reform, to try to provide an agency that would provide potential investors with every opportunity available to try to diminish the amount of red tape associated with increasing rural opportunities.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation.

#### CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

**The Chair (Mr. Pat Hoy):** I call on the Catholic District School Board of Eastern Ontario to come forward. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. We would ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

**Mr. William Gartland:** Thank you very much for providing us the opportunity to be here today. My name is Bill Gartland. I'm the director of education with the Catholic District School Board of Eastern Ontario. Sitting beside me, I have the vice-chair of our board, Nancy Kirby; and beside her I have Gordon Greffe, who's the associate director of education with the board.

Just to give you a sense of who we are, the Catholic District School Board of Eastern Ontario was formed

from three previous school boards. We have over 12,000 kilometres in our school board. We serve eight counties. We have 14,000 students and 50 schools—40 elementary schools and 10 high schools. To picture us, I always refer to us as the horseshoe around the city of Ottawa.

We do want to acknowledge, first of all, and thank the Ministry of Education for their support and certainly their assistance in terms of helping us implement programs and in terms of construction projects over the last many years. The board, though, does continue to have financial difficulties. That's why we're here today, in terms of providing you with some of our challenges, as we see them, and hoping they will be able to be addressed in the provincial grants this year.

I would now like to pass it over to the vice-chair, Nancy Kirby.

**Ms. Nancy Kirby:** Like most boards, as Mr. Gartland said, we do have financial concerns. We have about nine main areas that are of concern to us right now, but I'm not going to spend my few minutes talking about all of those. What I'd like to touch on are just the main areas that we feel the government could help us with.

The first one—and it has happened, I think, since the board was amalgamated—is the rural and remote funding, and in that funding is the geographic distance. Part of the grant says that if your geographic centre is within 150 kilometres of one of five main sites, then it affects your funding. Of course, our geographic centre is less than 150 kilometres from Ottawa, so we are adversely affected by this grant. For instance, we receive \$1.4 million for our rural and remote grant. Our eastern coterminous board and our western adjacent board both receive about \$3.1 million, and for anyone doing the math, that would probably be the amount that we're usually short every year in our rural and remote.

The other big issue is funding, whether it's for renewal or for capital. We have quite a few small schools that are old and need upgrading. Our five-year plan that was given to the government exceeded \$71 million. Our immediate needs that we are looking at for the next two years to bring our schools up to shape are \$31 million. Unfortunately, we currently receive \$1.5 million a year, so it doesn't offer us much chance to upgrade our schools.

We're also looking for the Good Places to Learn stage 3 as part of that funding. Stage 3 announcements were supposed to come out on September 7, and we're still waiting for those. Again, if we had the announcement, we would have adequate planning time as to where that Good Places to Learn stage 3 money would go.

The government of Ontario, in consultation with school boards, should undertake the design of a coordinated, transparent and objective capital funding program. We have to look at boards where you've got growth schools in certain areas but declining enrolment in others. The current new pupil place grant does not look at that. They look at boards that are growing. They don't look at where you may have growth areas but also declining enrolment.

I'm sure you've heard this before: the benchmarks. Right now we are funded at \$154 a square foot. I can tell you, our last school that we built was in excess of \$180 a square foot. The geographic adjustment factor brings us down from \$154 to \$151, and for some reason we're higher than that, so our geographic adjustment should be going up. Again, it goes back to the geographic area, being close to Ottawa. It assumes that if you're in a rural area, your funding is cheaper.

The last item I'd like to point out is that what we would like the government to do is equitable funding for all students. Right now, the legislation compares the grants for English public schools to English Catholic schools, and then French public schools to French Catholic schools. The legislation does not look at equity in funding for all four of those sectors. If you were to look at the grant structure for the four sectors, you would realize the inequity.

Currently, we are probably about \$2,000 per student lower in a granting formula than our—I can't call it our coterminous board—French language board, which, by looking at students, equates to a \$29-million difference in funding. We're not looking for \$29 million from the government, but what we're looking for is some change in legislation where all of the grants are based on all four sectors, not English to English, French to French. I think it is incumbent upon the government to look at all four—whether you're an English student, a French student, a public student or a Catholic student, that you have the same chance. Many of our English students have French immersion, and although we get the grants, the grants are not at the same level in order to buy the resources needed for our students.

Those are the main points. I've tried to rush through them so that we don't get cut off with our time. I'm going to ask you if you have any questions.

**The Acting Chair (Mrs. Linda Jeffrey):** You have more time if you want to continue, and we'll still have time for questions. Or if you're okay, we can go to questions.

**Mr. Tim Hudak:** How about supervision?

**Mr. William Gartland:** The biggest challenge surrounding supervision, and I appreciate you asking that question—as you are aware, there are tables actually being set now in terms of negotiations with the local federations' unions. As a matter of fact, I'm on the table team at the provincial level working with administration and support staff. But the challenge there is in terms of the framework that was given to boards in the middle of negotiations where we were forced to settle.

I'll give you an example. In our particular board, our teachers now have a maximum of 100 minutes per week, and in some schools that is extremely difficult to do. As a matter of fact, what we're finding is that some of our principals are doing up to 400 minutes a week of supervision. Principals are instructional leaders in our schools. They should be in the classrooms working with teachers, they should be helping deliver curriculum and assistance and those sorts of things, and they find them-

selves doing 400 minutes of supervision. So that's the challenge. We're hoping that that's somehow going to be addressed in the next round of negotiations or the framework that will come forward.

**The Acting Chair (Mrs. Linda Jeffrey):** You still have another minute and a half if you want to continue. Otherwise, we'll go to the government side for questions. Is there anything else you want to address?

**Mr. William Gartland:** I think we'll take questions. The package is pretty comprehensive and we do appreciate your time. I know a lot of people are talking at you today, so perhaps we'll just go to questions.

**The Acting Chair (Mrs. Linda Jeffrey):** Okay.

**Ms. Sophia Aggelonitis:** Thank you very much for your presentation and for coming here today. Mr. Gartland, I'd like to thank you for recognizing the good work of the Minister of Education in your opening remarks. Our government continues to make education a priority. We see smaller class sizes, we see higher test scores and now we see full-day learning for four- and five-year-olds.

In your presentation, you have many recommendations. One of the recommendations I'd like you to expand a little further on is recommendation number 6, in regard to revising the distance component.

**Mr. William Gartland:** Perhaps I'll ask our associate director to speak to that in particular since he's the money man.

**Mr. Gordon Greffe:** The actual formula to determine—

**The Acting Chair (Mrs. Linda Jeffrey):** Could I just ask you to identify yourself for Hansard, please, before you begin?

**Mr. Gordon Greffe:** Gord Greffe, associate director.

The actual formula—we've had some discussions with the ministry staff—we feel is erred in the logic. The way it's calculated is that the actual geographic centre of your board and the distance to a major city determines the amount of the grant. Because of our proximity to the city of Ottawa, we get a limited amount of grant recognized for that geographic circumstance grant. For example, Algonquin and Lakeshore board would receive almost \$2 million or in the \$2-million range more than we would because of its distance from Ottawa. We don't see the logic in how they would have additional incremental costs that would compensate for that additional revenue.

There's a graph, actually, at the back of the document that shows the different boards and the different amount of that geographic grant. It becomes quite evident, I think, that there's a large disparity in how that money is distributed.

**Ms. Sophia Aggelonitis:** Thank you for explaining that. I have no more questions.

**The Acting Chair (Mrs. Linda Jeffrey):** Any other government questions? No? Thank you very much, Mr. Gartland. Did you want to respond further?

**Mr. William Gartland:** Just in conclusion, once again, we do want to thank the Ministry of Education for all their support. We do feel we have a great working

relationship with them and they certainly do respond to our calls and concerns and so on. I certainly would acknowledge that. We, of course, are always looking to make things better, so that's part of the process.

**The Acting Chair (Mrs. Linda Jeffrey):** Thank you very much. We're going to take a short recess now. Our next delegation is not here.

*The committee recessed from 1114 to 1117.*

#### ELEMENTARY TEACHERS' FEDERATION OF ONTARIO, LIMESTONE LOCAL

**The Chair (Mr. Pat Hoy):** The standing committee on finance and economic affairs will now come to order. I assume we have the next persons on our list, the Elementary Teachers' Federation of Ontario, Limestone local.

**Mr. Mike Lumb:** Yes, that's correct.

**The Chair (Mr. Pat Hoy):** Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard, and you can begin.

**Mr. Mike Lumb:** I'm Mike Lumb. I am president of the elementary teachers in the Limestone local.

**Ms. Debbie Wells:** I'm Debbie Wells. I'm the first vice-president of the Elementary Teachers' Federation of Ontario.

**Mr. Mike Lumb:** Thank you for the opportunity to speak today. My name is Mike Lumb and I am the president of the Elementary Teachers' Federation in the Limestone local. With me is my first vice-president, Debbie Wells. We are both elementary school teachers and represent approximately 800 teachers within the Limestone district.

To begin, we would like to extend our appreciation with respect to the steps the government has taken to bolster our education system since 2003. Specifically, smaller classes in the primary grades have allowed elementary teachers better instructional ratios for students to learn. However, more needs to be done with respect to building a strong and vibrant education system. We would like to highlight some specific concerns and recommendations for you.

The funding cuts imposed by the last Conservative government resulted in serious program losses and represented a major setback to public education in Ontario, especially at the elementary level. After a decade of public pressure, Dr. Rozanski's task force, and a Liberal government since 2003, education has seen a 17% increase in funding, which is substantial and welcome. We are rebuilding our public education system, and the government has made it a priority. Adequate funding is the key to ensuring a high-quality education for all students. Our schools are good, and getting better, but more can be done.

ETFO remains concerned about the discrepancy which exists between funding of secondary students and the funding which is targeted for elementary students. This

gap in funding has created a two-tiered education system, and it is this point that I wish to address first.

Historically, a student-focused funding formula has placed a higher value on secondary students than elementary students. In 2007-08, the gap in funding between an elementary and a secondary student is \$711. We also understand that this gap is narrowing with this government's focus on education and mending the damages done in the previous decade. In 2003-04, this gap was \$1,318. That's a 46% improvement in four years. However, \$711 is still a significant amount, and this shortfall represents a barrier to ensuring that all elementary students receive the high-quality, well-rounded education that our elementary students also deserve to be successful.

In the Limestone district, that equates to \$9 million locally that elementary students are not funded. This means fewer resources in elementary classrooms, fewer specialist teachers for elementary students, and less preparation time for elementary teachers. A considerable number of ministry initiatives aimed at improving student achievement have been put in place in the last several years. Our teachers have continued to embrace the new ideas and have kept abreast of the new programs and professional development necessary to stay current and raise student achievement. Student success is dependent on better funding for elementary education so that school boards can afford to hire the numbers of teachers they really need to reduce class sizes in junior and intermediate grades and to provide the kind of planning time that is necessary for teachers to prepare and assess.

There seems to be no rational explanation to explain the difference in funding between the two panels. Most of the line item differences in the foundation grant are inexplicable, particularly since it's on a per-pupil basis. Why is staff development per elementary student \$1 less than per secondary student? That small difference means a loss of \$1.25 million to elementary education. Why are textbooks and learning materials funded at \$27 more per secondary student than elementary student? This means \$34 million is not available for elementary resources. Why are classroom supplies funded at \$105 more for a secondary student? That is a loss of \$131 million for elementary classroom supplies. Why are classroom consultants funded at \$6 less for each elementary student, a loss of \$7.5 million? Elementary students receive \$14 less than their secondary counterparts for classroom computers, a loss of \$17.5 million. We are wrestling with these data and find no explanation for the differences.

The Liberal government has acknowledged that the gap in funding is problematic by having addressed 46% of it since 2003. It has also promised \$150 million to assist students in grades 4 to 8 to cover the course of this mandate. We look forward to the next step in reducing the gap further and hope that an even longer-term plan will be forthcoming to address the overall discrepancy.

In terms of declining enrolment, elementary projections for the Limestone schools show a steady decline. This is also true for about six boards across the province

in addition to a number of Limestone schools that are located in small communities some distance away from the next school. Many buildings are in poor condition and indeed have been deemed prohibitive to repair. Although it's obvious that some of these schools will need to close because of enrolment, the newly created consolidated schools will need to offer a better alternative.

Specifically, each school should have a full-time teacher-librarian. In spite of the government's current emphasis on literacy, few elementary schools in the province have teacher-librarians, whose role is to assist students with literacy and research skills. Limestone elementary schools do not have any teacher-librarians, but rather a few hours of library educational assistant time, usually shared with other schools or duties, which comprises the sum of this kind of support. None of our elementary schools even qualify for funding for a teacher-librarian. Elementary students are disadvantaged by this per-pupil approach to funding.

The funding for guidance teachers is also insufficient for even the grades 7 and 8 classes to receive support. Once again, the per-pupil funding model does not allow most elementary schools to generate even one tenth of a guidance teacher. Elementary school students have real social issues which, if addressed, can set students on the right path at an early level. Waiting until high school can be too late to correct problems in a number of situations.

If the government is serious about improving high school graduation rates and it is serious about its focus on ensuring that students who struggle academically receive the individual support to succeed, then more resources need to be allocated to elementary programs and staff that support students at risk. Many at-risk students learn best through hands-on learning. While our generalist teachers in Limestone do the best they can, nothing can compare with the potential that an elementary student can achieve with smaller class sizes and specialist teachers who have the time and resources to provide for those who need extra assistance. I hope the government will move quickly on making some change for junior and intermediate classes by imposing an appropriate class size cap. Given the recent report on safety in Toronto schools, we would be foolish to ignore the fact that smaller classes and more teachers could alleviate the stresses. This is not just a big-city problem.

In relation to intermediate grades, with reference to intermediate students specifically, there has been much news around the province with regard to moving them into secondary schools. We find it odd that economic consultants are being hired in some district school boards to tell us that we need to close schools and move 7 and 8 students into high schools, all to solve a financial burden. We would hope that good pedagogy and respect for the needs of the adolescent learner would guide this decision and not simply the bottom line. Elementary students belong in elementary schools with elementary teachers. Research shows that elementary schools promote stable relationships between students and teachers, provide an

intellectually stimulating and co-operative environment, and enjoy a higher level of parental input than secondary schools. Research also indicates that students from 10 to 15 show gains in math, language and reading when they attend small schools with lower student-teacher ratios and shared teaching. Rather than transferring young students to secondary schools, school boards should work with the Ministry of Education to ensure public elementary schools receive the necessary resources to offer a wide range of programs which build students' success.

Minister Wynne has told the press that the province wants to graduate more well-rounded students and has hinted at the government's plans to reintroduce the kind of hands-on experiential learning that keeps kids engaged in school. She was talking about designing tech classes, family studies and arts programs and guidance support in the latter elementary years. This is an opportunity to go back to teaching the whole child. We look forward to the return of these kinds of programs, the specialist teachers who will need to teach them, as well as the important infusion of funding to pay for them. Most teachers in a building provide supervision and a safe environment for our students. This is the bottom line.

To sum up, there is general need for more in the public system. We understand that it can't all be done within the four-year time frame of a government's tenure. However, elementary teachers have been patient and worked with this government during their last term in office. We are, once again, hoping for some bold moves from this government because every study ever done in any country has shown that long-term investment in young children pays off. Let's build schools, not prisons.

Debbie, you had some other comments.

**The Chair (Mr. Pat Hoy):** You have about a minute left.

**Ms. Debbie Wells:** I'll have to speak fast, then.

We're also concerned about the growing inequality of opportunity that exists within the public school system. I'm sure that others have brought to your attention the growing gap between the rich and the poor in this province. When a decade of education underfunding is added to families' low-paying jobs and social service cuts, a two-tier education system starts to grow. Parents are asked to pay for school supplies, class trips, many things, even textbooks. The lack of money in many homes translates into inadequate child care and a general lack of support for children's homework or cultural and intellectual stimulation. Some homes don't have books, magazines and computers, and many parents don't have time to engage in cultural outings. The cuts to social services are felt almost immediately in the classroom. Students who require extra help and attention are not receiving them often in the school.

The cutbacks to children's mental health mean that there are students in elementary classrooms who need therapists. The education system is not equipped to do all the testing, placement and treatment of children who need it. Teachers aren't trained as therapists, and schools are not treatment centres. When teachers are forced to

program for students with mental health issues, then the students who are at risks academically—the students whom we are trained to work with—don't receive the attention and the programming that they're supposed to have. The cuts to the student support teachers and the educational assistants only make this whole situation worse.

For me to sum up: When families have needs that aren't met, the education system has always tried to step in. Teachers run breakfast programs, we collect winter clothing, we fundraise for trips, we keep kids in our classrooms before and after school, often so that parents can meet job responsibilities, we risk allegations of abuse in trying to deal with children who have serious problems with anger and violence, and at the same time, of course, we're trying to teach. That's why the teacher federation is also so firmly in favour of a universal child care system, more support for community agencies and a minimum wage that people can live on, because once you're in the classroom, everything is connected. Thank you.

**The Chair (Mr. Pat Hoy):** Thank you for your submission. This round of questioning goes to the official opposition.

**1130**

**Mr. Tim Hudak:** Thank you both for the presentation this morning on behalf of the Limestone district Elementary Teachers' Federation of Ontario. Just before you came in, the Catholic District School Board of Eastern Ontario—I know, not your board—had talked about the supervision issue, that currently the collective agreement with the teachers requires the boards to assign each teacher no more than 100 minutes of duty per week. That was something that was imposed by the Minister of Education, as opposed to a local negotiation. They point out that their concern about that is that principals have taken up to 400 minutes per day of supervisory duty. What's your view on this issue, and is it an emerging concern about the lack of supervision in our elementary schools?

**Mr. Mike Lumb:** I think it has allowed teachers to do the work that they really want to do. We've had great success locally in implementing that decision. Certainly, principals have always been out in the yard, even when there was that supervision before and those caps were put in place. So locally we've had good success but there have been no issues in terms of students being at risk and not being supervised. I'm not going to speak for the principals themselves, but I know that when I was in the classroom for many years, the principals were always out in the yards anyway.

**Mr. Tim Hudak:** The principals' council raises this as one of their major concerns—

**Mr. Mike Lumb:** Yes.

**Mr. Tim Hudak:** —that principals are now taking up to 400 minutes' duty per week. What was your collective agreement before the 100-minute ceiling was imposed?

**Ms. Debbie Wells:** It wasn't addressed. We had teachers doing up to 300 minutes a week.

**Mr. Mike Lumb:** They were doing as much supervision time as they were doing teaching time—

**Ms. Debbie Wells:** In a day.

**Mr. Mike Lumb:** —and that's really expensive supervision. I think probably for us the biggest issue with the principals is being in the building. When we have situations at the office, there's nobody to call upon because they're out on other committees, they're taking lieu days, and it's quite a problem for us.

**Mr. Tim Hudak:** You say it's an expensive mode of supervision as principals are an expensive mode of supervision.

**Mr. Mike Lumb:** Absolutely. What I always refer to is that you don't generally see lawyers doing the photocopying, right? So it's expensive.

**Ms. Debbie Wells:** We do have paid supervisors.

**Mr. Tim Hudak:** I was going to ask you if there's another way of addressing this issue.

**Ms. Debbie Wells:** Yes, and they are difficult to get in some communities, but it could be, I'm sure, overcome by a half-decent wage.

**Mr. Tim Hudak:** You mentioned some areas where you want to see the funding formula improved. When this change was made on the supervisory time, my understanding is that there wasn't a resultant increase in funding for people like supervisory assistants and that sort of thing. Do you know if that's—

**Mr. Mike Lumb:** We traditionally have had paid school supervisors in Limestone, so it made it not so much a difficult task for us to achieve those goals here. I know other boards allocate money in different areas, but in some cases it has been difficult to find people in certain communities to come out and do the job. They want the supervision, but nobody is really willing to do it, and that becomes part of the issue. But we've had pretty good success here with people in the community coming to do paid supervision.

**Ms. Debbie Wells:** One more thing, just in terms of the concerns: Most of our schools in the Limestone District School Board have 80 minutes; 100 are required and they're making an effort to get it down to 80. We do have some principals who do yard duty, but we have many who don't. I think some of the principals have always done yard duty. They're not in a classroom. It's one of the ways they get to meet the children.

**Mr. Tim Hudak:** My last question: One of the issues that has popped up in the media quite a bit is the notion of black-focused schools in Toronto. This may not be something to be considered in the Limestone district, but there are aboriginal-focused schools, those types of themes. From a pedagogical point of view, do you have any opinion on this type of approach to education?

**Mr. Mike Lumb:** I don't think we have a position on that, and certainly locally I understand and I'm very much aware of the diversity in Toronto, except that here in the Kingston area we're pretty well United Empire Loyalists. We haven't seen the diversity to the extent that they have in Toronto. So it really hasn't become an issue of discussion here. I really don't know if I can answer

that for you, although I'm aware of reading it in the media and that. Deb, maybe you have some comments. Deb is also the president of the labour council.

**Ms. Debbie Wells:** I think the education system has always tried to address difficulties that occur, and clearly there has been a difficulty that has occurred. There seems to be a need in many people's minds for focused schools, whether it's the Tyendinaga high school or whether it's a black-focused high school. This is something that I feel school boards should work out with communities, because I think in the long run schools will be successful if they work with our communities.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation.

**Mr. Mike Lumb:** You got our handout—

**The Chair (Mr. Pat Hoy):** Yes, we have. Everyone will have it.

**Mr. Mike Lumb:** Super. Thank you.

#### TOWNSHIP OF LEEDS AND THE THOUSAND ISLANDS

**The Chair (Mr. Pat Hoy):** Now we will hear from the Township of Leeds and the Thousand Islands. Sir, you have 10 minutes this morning for your presentation. There might be up to five minutes of questioning following that. I would just ask you to identify yourself for the purposes of our recording Hansard.

**Mr. Frank Kinsella:** Sure. First of all, I want to give you a thousand welcomes to the Thousand Islands. I'm Frank Kinsella and I'm the mayor of Leeds and the Thousand Islands, of which we have 950 of the islands, so that should give you some indication. I've provided a map at the front of the handout to show you where we are. The handout is being given out to you.

Basically, why I am here—I went on the website, and the standing committee on finance and economic affairs is empowered to consider and report to the Legislative Assembly “its observations, opinions and recommendations on the fiscal and economic policies” of the province of Ontario. What I am requesting is that you set up a random audit of provincial fiscal and economic policies to see how well the province and municipalities are able to carry out the intended, implemented and achieved policies. The intended is what we set out to achieve, the implemented is what we are doing to achieve it, and then to accomplish—I've got an old copy that I didn't revise. What we stated to be achieved actually occurred. If these costs exceed 10%, then a review should occur to answer why.

Specific examples: Ontario Works. The question I've been asking county council is, “Why does it cost 50% more than the provincial subsidy to administer the program?” Every month, this question has been asked. The response: “Before the community and social services committee department can open a file on a person, over 800 points have to be”—have you got one more handout?

**The Clerk of the Committee (Mr. William Short):** Yes. Which one do you need?

**Mr. Frank Kinsella:** This one here. I've gone through so many revisions on this. I had to vet it through the administration, and so they told me what proper words to use here.

So every month, this question has been asked. The response: "There are over 800 rules governing this program. The paperwork is very, very demanding." Why?

This is our projected and actuals as of September, 2007, for Ontario Works. What you'll see is that we get revenues from the provincial subsidies. The budget is \$10,792,000, and our projection is \$10,740,400. If you look at the expenditures, we spend in total close to \$4,869,000 administering a \$10-million program. You'll see that that then is broken down because at the county level we have a joint services committee, so we have three designated towns as well as the 10 municipalities. What happens is that we split out that cost of \$4,869,900. I said, "You and I should be asking our respective departments, why are these costs so? What do we continue, stop or start?"

**Public housing stock:** The Township of Leeds and the Thousand Islands pays 19% of the county bill. We are concerned about the cost of maintaining and meeting provincial standards regarding the 667 public housing stock that was given to the county. We are told that we must maintain this exact number of units. When we were calculating fair market rent for some of these units, capital replacement costs could not be included. That really caused me concern, because where are you going to get the money for capital replacement?

**1140**

So where will the monies for capital replacement come from? As this is some of the oldest housing stock in Ontario, we know that the replacement cost will place a tremendous burden on residential taxpayers. Creating a capital reserve should be part of the calculations.

**Water and sewer systems for small municipalities:** The requirements placed upon small public water and sewer systems have become too demanding. In Lansdowne, a small village with 300 users, their average yearly costs for water just to meet the demands of the MOE is over \$1,000 per household. This cost is going up as the Ministry of the Environment demands increase. So the question becomes, how safe is safe?

It is easy to impose standards but costly to implement them. Please monitor the requirements placed on municipalities. I refer you to appendix A, which is a report from our engineers that for us to look at our sewage treatment lagoon, just to do the study, is \$85,000, and that's going to tell us that we have a problem. We know we have a problem. But the requirements are that we need the study before we can go anywhere.

The next one is the landfill sites and monitoring. I don't know about you, but since being elected I have spent more time on landfill sites than anything else, and what are we doing with our waste?

For monitoring and reporting we spend \$70,000 a year, just for that function, and then they're proposing another \$162,500 for a long-term management strategy,

and that's before we do anything. So what's happened is that we've got to foot a substantial amount of money going out of our coffers for reports, but it doesn't help us do anything or achieve anything.

The Development Charges Act requires that the township prepare a background study to verify if the current development charge is still the correct amount or if it needs to be increased or decreased. This is required every five years by the act. The quotes to do this survey range from \$10,000 to \$50,000, and I can tell you that the majority of them were at \$40,000 to \$50,000. So I asked how much money we actually get back. Because we have a major asset, and it's called waterfront, we are a growth township; in the last two years we've experienced about \$24 million worth of growth each year. Prior to that, though, we didn't experience that amount of growth. What happened was that our development charges—we would have paid more for the study than what we would have collected in development charges. I don't think that's a good return on investment.

**The appeal:** I am not asking the province for more money. What I am asking is that this committee set up a mechanism to monitor the cost of implementing the well-meaning laws and regulations passed by the provincial government. The intention is to reduce the growing financial burden on the provincial and residential taxpayers created by the need to implement and achieve so many diverse programs. Daily, we should be asking, "What do we continue, stop or start?"

**The Chair (Mr. Pat Hoy):** Thank you very much for the submission. The questioning goes to the NDP.

**Mr. Michael Prue:** You are here before the finance committee. Have you taken this issue to the Association of Municipalities of Ontario? They are meeting on these selfsame issues with the minister, I believe, this week.

**Mr. Frank Kinsella:** Yes, I have. It's an interesting balance, because when you come with the administration, the administration establishes relationships with the various government departments, and if they have a great deal of co-operation going, then nobody wants to upset the applecart. So what happens is that at various points you get vetoed or they say, "Well, maybe that's not a good question to ask." I guess I'm a little persistent and I keep asking the question. So I'm just putting forth the agenda that we all need to stop and monitor our costs.

**Mr. Michael Prue:** In reality, though, you are asking the government members who make up the majority and sit on this side to, I guess, go around the minister and what he's attempting to do, or go give a different perspective to what the minister may want to do.

**Mr. Frank Kinsella:** In what way is that going to—

**Mr. Michael Prue:** By asking to set up alternative committees to what he is doing with AMO—random audits.

**Mr. Frank Kinsella:** I don't think I'm asking for alternative committees. What I'm asking for is that we start to audit. When you get reports or you start to look at reports and you start to see that, "Okay, here's our subsidy, but this is how much it has cost to implement it,"

and the cost of implementation is greater than 10%, to me, what I'm asking is that you red flag it and say, "Okay, this is maybe an area that we should study." I'm not asking that you start another committee; I'm just asking that when you look at your expenditures and revenues when they come—I mean, you can ask the municipalities, for instance, in Ontario Works: "Here's how much you get. How much are you spending to implement it?" If it's congruent or consistent among all the municipalities across Ontario that we're getting X number of dollars and we're spending half of it on implementation, I think that just indicates that we've got a problem. That's all I'm asking: that you just set up some mechanism by which we can monitor that.

**Mr. Michael Prue:** Monitor, find out how much it is, and if it is too expensive, too onerous on the municipalities, to have it reduced?

**Mr. Frank Kinsella:** Yes, and go back and ask, "Why have we got so many restrictions or questions being asked of a program that it caused the implementation to be so high?" I mean, Ontario Works—basically, we're to distribute \$10 million to people who are in need, but the cost is \$5 million to do it locally. My question is, why does it cost us \$5 million?

**Mr. Michael Prue:** Good question.

**The Chair (Mr. Pat Hoy):** Thank you for your submission before the committee.

*The committee recessed from 1146 to 1300.*

#### EASTERN ONTARIO WARDENS' CAUCUS

**The Chair (Mr. Pat Hoy):** The standing committee on finance and economic affairs will now come to order. We'll begin our afternoon session. Our first presentation will be by the Eastern Ontario Wardens' Caucus. You have 10 minutes for your presentation. There might be five minutes of questioning following that. I'll give you a one-minute warning at the end. If you would just identify yourselves for the purposes of our recording Hansard.

**Mr. Ron Gerow:** Thank you, Mr. Chair. My name is Ron Gerow. I'm the chair of the Eastern Ontario Wardens' Caucus.

**Mr. Doug Struthers:** My name is Doug Struthers. I am the past chair of the Eastern Ontario Wardens' Caucus.

**Mr. Larry Keech:** Larry Keech, chief administrative officer, county of Lennox and Addington.

**Mr. Bill Pyatt:** I'm Bill Pyatt, CAO for Northumberland county.

**The Chair (Mr. Pat Hoy):** You can begin.

**Mr. Ron Gerow:** Thank you very much and we appreciate the opportunity to be here today and make this presentation. We have some handouts, which we have provided to everyone. Our presentation today is going to be based on the pre-submission to the minister.

A really quick overview: The map on the overhead that you see there represents the area that we represent, which is basically the 13 counties in eastern Ontario. We have some copies of our prosperity plan, which was

handed out to the public just about a year ago now. There are four copies here for anyone who would like a copy of that. We also have four copies of the pre-budget submission itself for circulation.

The two gentlemen Mr. Keech and Mr. Pyatt are going to make the presentation, so without further delay I am going to turn it over to them.

**Mr. Bill Pyatt:** Thank you very much, Ron.

Good afternoon, members of the standing committee. It's my pleasure to be here.

I'd like to give you a bit of background, a context, for eastern Ontario. While we cover a very large geographic area, we actually have a relatively small population of only 700,000 people. So when you look at what the actual population density is, it's only 17 persons per square kilometre. We're further challenged by the fact that our income levels are well below the provincial average. If you compare us, for example, to western Ontario, our per-person average income is \$2,000 per year less. When you look at a family, it's around \$5,000 a year less. So we end up having a very small property tax base.

Again, to put it into context, for every square kilometre, eastern Ontario has \$1 million of assessment, while western Ontario has \$2.5 million, or two and a half times the assessment. When the former highways were downloaded to the upper tiers, eastern Ontario got 40% of the total kilometres, as did western Ontario, but you can see they have two and a half times the ability to pay for those downloaded highways.

Over 90% of our assessment is residential. Less than 10% is actually commercial and industrial. Again, when you look at some of the western Ontario municipalities, they're in the range of 78%, which speaks to ability to pay. We've had very limited assessment growth; we're much more like northern Ontario. It has been less than 2% per year for the last six, seven years. When you look at the county level of government, our average tax increase for each of the last five years, for all 13, is 8.1% per year. That's each and every year we've had to raise taxes to accommodate downloaded services. This year in Northumberland county, our preliminary budget is 9%.

Our approach that we've taken at the wardens' caucus to advance our issues is to prepare a report called Future Directions, copies of which are available on our website. We've taken a region-wide focus. We thoroughly analyze situations in our various program areas. We actually go to the trouble of paying an independent auditor to verify that all of our information is correct, and that's Allan and Partners in the Perth area. While we highlight problems, what we always feel is important to do is to provide workable solutions, some options, and have some concrete measures that can be taken. We always have recommendations for improvement, and they're usually very workable and very practical. Our goal is to come up with solutions that promote long-term viability and sustainability of our governments.

For 2008, the wardens' caucus has two focus areas: They are the looming infrastructure crisis and the need for fiscal sustainability. As we were preparing our recom-

recommendations for this pre-budget submission, what we relied on very heavily—Warden Gerow referred to that—was our prosperity plan for eastern Ontario. It was published about a year ago, and it had 51 specific recommendations across a range of program areas. Again, it is the basis of this submission for you today.

To summarize our recommendations, we grouped them into two areas—again, the infrastructure crisis—and I'll briefly review them.

**The building Canada fund:** We would very much like to see the provincial and federal governments get together to finalize that for Ontario. Again, it's infrastructure-critical for us.

We would like to see the province expand the gas tax revenues to include all municipalities. Our public transit is our road system. We've got very long highways with very few people on them. We'd like the province to consider repatriation of some of the former provincial highways, obviously establishing criteria on which to base the examination, but hopefully that's something that could be considered. We'd like to see you establish permanent allocation-based funding for roads so that we could effectively plan year to year, come up with programs where our contractors know roughly how much money will be out there and being spent so they can plan for their resources as well. We very much appreciated the first round of broadband funding, but we still have huge areas of eastern Ontario without coverage. We'd like to see at least a two-year continuation of the provincial broadband program. As an example, in Northumberland county we have less than 50% coverage for high-speed Internet, which is a real challenge for us.

We'd like to see further capital funding support for social housing expansion and replacement. Again, a specific example in Cobourg, in our county: We have a four-year waiting list. We're really struggling with the fact that all of our social housing units are 40 to 50 years old and are in need of major infrastructure investment. That's a concern for us.

With respect to fiscal and economic sustainability, we're very much looking forward to the completion of the Provincial-Municipal Fiscal and Service Delivery Review, which I know we're looking to see completed over the next three months.

We would like to see a payment-in-lieu program for unimproved crown lands. That's a huge issue for some of our counties where 50% of their landform is crown land, and they get no revenue, and they have major highways going through them that they have to maintain.

We'd also like to see the minimum investment threshold removed for eligibility for the advanced manufacturing strategy. Certainly, there would be an emphasis on supporting those projects that focus on job retention and growth.

We'd like to see the province review its support programs for research, innovation and commercialization to ensure that our agricultural stakeholders are considered in this. In Northumberland county, the number one industry is agriculture, and it's very similar throughout

the rest of eastern Ontario. We want to be sure they're considered.

Finally, we'd like to see the provincial sales tax removed on municipal expenditures through some sort of a rebate program.

That covers our list of recommendations to you. I'd like to turn it over to the past chair, Doug Struthers, to summarize.

**Mr. Doug Struthers:** I actually won't summarize the whole presentation, but it's always important to not only thank you for the opportunity today but also for what has been done in the recent past. As you can see on this slide—granted, over a period of time—it's the reduction to a uniform level of commercial and industrial education tax rates; the \$20 million per year for the next four years of the eastern Ontario economic development fund; Move Ontario, \$400 million; last year, the RIII, \$70 million, and then I believe it was doubled to \$140 million; and then this year the rollout of the MIII, the municipal infrastructure investment initiative, \$300 million.

Particularly, I also want to thank you for the upload of the ODSP and the ODB. It's a reasonable approach to do it over a period of time. To us, not only is that a significant step, it is also a significant signal that the process, in partnership with AMO, for the Provincial-Municipal Fiscal and Service Delivery Review will not only be completed in a timely manner—and it is our understanding that it will be the spring, which by definition goes till June 21. If we're going to do it, let's do it right the first time to ensure that it's not just about reshuffling the debt but resulting, from the municipal perspective, in immediate, significant financial improvements for municipalities so that we can continue to prosper and add to the wealth of the province of Ontario.

**The Chair (Mr. Pat Hoy):** Thank you for the presentation. The questioning will go to the government and Mr. Rinaldi.

**Mr. Lou Rinaldi:** It's good to see you again. We saw each other a couple of weeks ago.

First, let me say to you that in the past four years or so that I've had the opportunity to serve as the member for Northumberland-Quinte West, and having met with you a number of times, I thank you for all the work you do. You've certainly brought forward the challenges of eastern Ontario, along with some other members who are here today who represent those areas, in a really detailed manner, so that I think we're able to start moving forward on some of those issues.

I know my good friend John would like me to ask a question, and I will get to that.

One of the challenges that we find, in co-operating with you folks, is, how do we descramble an egg overnight? That's been a challenge for us as a government. There are a lot of priorities.

A question that I think would make our lives easier on all sides of the House is, as we look at the challenges that eastern Ontario faces, in allowing us to try to deal with some of those issues, it's always good to know—and in

your presentation I believe you mentioned that we did move forward on some of those issues. What kind of difference have some of the changes that we were able to accomplish in the last four years made to the communities at large, not necessarily to any particular county? Because what that tells us on all sides of the House is, if we're going in the right direction and it's making a real impact, obviously that's the way we should go. You talked about your tax rate municipally, at the county level—substantially every year. What would have happened if nothing had happened?

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**Mr. Doug Struthers:** If I might put it in perspective, while staff are consolidating an answer, if we were to do nothing on the broadband gap—think of it this way: Broadband in the 21st century is what the telephone was in the 20th. I don't know that we need an answer specifically, but it gives you maybe a subjective sense.

Now that staff have had a couple of moments—

**Mr. Bill Pyatt:** I could refer to one example: land ambulance funding. We were at 35-65 two or three years ago and it's now at 50-50. For Northumberland county, that's about \$1.5 million a year, so if you put that in terms of a tax reduction, that's 5% on our budget right there alone, and then certainly with some of the other programs with respect to social services and roads. We would have, I know, been up in the 11% tax increase per year for the last five years if it hadn't been for the relief that was provided, and we quite appreciate it.

**Mr. Lou Rinaldi:** I don't have any further questions, just to thank you for your advocacy for eastern Ontario. It's certainly helped us as government to try to move the yardsticks, and I look forward to your input. This is very good stuff, so thank you very much.

**The Chair (Mr. Pat Hoy):** Thank you for your submission. If you would leave that for the clerk, he'll make copies to ensure that every member gets one.

**Mr. Doug Struthers:** Just so you understand, it's the details behind the presentation plus the copies of the eastern Ontario prosperity plan. There are four sets here. Thank you very much.

**The Chair (Mr. Pat Hoy):** Thank you.

#### SOCIAL ISSUES NETWORKING GROUP

**The Chair (Mr. Pat Hoy):** Now I call on the Social Issues Networking Group to come forward, please. Good afternoon. You have 12 minutes for your presentation. There may be—

**Mr. John Yakabuski:** Ten.

**The Chair (Mr. Pat Hoy):** What did I say, 12?

**Mr. John Yakabuski:** You said "12."

**The Chair (Mr. Pat Hoy):** I wrote 12 down at the end of the last one.

You have 10 minutes for your presentation. There may be five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

**Ms. Marijana Matovic:** My name is Marijana Matovic, and I'm here today on behalf of the Social Issues Networking Group.

The Social Issues Networking Group, or SING, is a coalition committed to finding solutions to and taking action on issues that affect people living in poverty. SING emerged in 1998 as the Child Tax Action Coalition hoping to end the clawback of the national child benefit supplement. The efforts of the coalition resulted in the development of the Kingston Entitlement Access Program, wherein the city of Kingston returns the 20% of the clawback they receive from the province to the families on social assistance. Since then, SING has met with success on a wide variety of poverty and social justice issues.

We are encouraged by the newly re-elected government's commitment to a poverty reduction strategy, the local government finance reform, the dental care program, full-day kindergarten, an affordable housing strategy, post-secondary education, public transportation, local food and greener energy. These new initiatives are steps in the right direction that need to be incorporated into comprehensive plans with ambitious targets.

We believe that the areas of primary focus for this budget should be the long-neglected issues of poverty, local government finance reform and the environment.

We don't believe that the solution to our environmental and energy problems lies in modernized nuclear capacity, as was suggested in the throne speech. We are supportive of economic growth through the development of local environmentally friendly strategies and technology.

Moving to local government finance reform: Thus far, nothing has been done to address the unsustainable provincial-municipal financial relationship introduced and maintained by previous governments. Many municipalities in Ontario have been forced to raise taxes and/or raise money through increased user fees in order to meet obligations such as social assistance and affordable housing.

With 38% of Canada's population, Ontario accounts for 88% of local government spending on housing within the nation and 95% of Canada's municipal spending on social services. The discrepancy between the budget forecast and the year-end final results in the past three fiscal years has ranged between \$3.1 billion and \$4.5 billion. It is time for the province to reassess and reclaim its responsibility for payment transfers.

Having said this, we turn to issues of poverty, which are directly within SING's mandate. According to the Statistics Canada report *Income Trends in Canada, 2005*, 14.5%, or over 1.7 million, of the people in Ontario live in poverty. Low-income families are living in a deeper state of poverty now than during the early 1990s. The average low-income family would need an additional \$9,500 to \$11,000 a year to bring them up to the poverty line.

According to the 2007 financial outlook and fiscal review, Ontario invests \$8,000 a year per single OW case

and \$11,712 a year per single ODSP case. According to the same report, the province invests \$57,000 a year per corrections inmate.

Currently, a single person on Ontario Works receives a total of \$606 per month when we include GST and the property and sales tax credit, an amount expected to pay for shelter and all other needs. This yields a total annual income of \$7,205, which represents only 41% of the LICO poverty line. Allowing such depths of poverty tacitly creates conditions for criminal activity as a survival strategy.

Like other anti-poverty groups across the province, we are concerned with persistently high rates of poverty, despite strong economic growth over the past 10 years, in one of the world's most affluent countries. There is growing Canadian and international evidence that government leadership is necessary if we are to implement a comprehensive poverty reduction strategy.

This budget should provide the specific targeted funds to support an open, accessible, wide-ranging and inclusive consultation process that will allow for the cabinet committee on poverty reduction to develop a meaningful poverty reduction strategy. Newfoundland and Labrador created an inter-ministerial committee to guide its poverty reduction strategy. We urge the government to provide a budget for a similar inter-ministerial body to ensure that solutions to diverse issues don't collide, but that ministries be laterally supportive. For example, it is crucial that any environmental strategy doesn't further endanger the already overburdened citizens living in poverty.

**Employment:** Economic circumstances began to deteriorate rapidly for Ontarians working for low wages when the minimum wage was frozen in 1995. The average annual increase in the minimum wage of 29 cents during the 1986 to 1994 period plummeted to two cents during the 1995 to 2003 period. Had the rate of increase in the minimum wage remained at the level of the 1986 to 1994 period, the minimum wage in Ontario in 2006 would have been \$10.18. Using the 29 cents annual average formula, the minimum wage in 2012 would be \$11.92.

We recommend that the government commit to increasing the minimum wage to \$11 per hour by 2011, with the immediate implementation of annual indexation tied to inflation. In addition, dental care and drug benefit plans should be established for low-income workers unlikely to have coverage through their employment.

We recommend that this budget fund the Ministry of Labour to update the Employment Standards Act in order to ensure that the growing number of contract, temporary and self-employed workers be afforded the same protection as full-time workers and to engage sufficient oversight to provide proactive inspections leading to prosecution for non-compliance.

With the employment insurance program, the emphasis should be placed on an overhaul of the entire system, which currently leaves many people in all of the provinces without financial support. The province should

advocate that program eligibility rules return to pre-1988 levels and for regulation extension in response to the growing part-time and contractual work reality of the labour market.

**Social assistance:** Taking into account inflation, social assistance rates are lower today than they were when the government took office in 2003, in spite of the 2007 increase. Current rates are devoid of reality. A person with an income of \$606 a month is expected to afford a bachelor or one-bedroom apartment at an average rent of \$665 and \$787 respectively. An effective anti-poverty strategy must include adults without children.

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We recommend an immediate increase to social assistance rates in a minimum order of 10% in anticipation of an independent committee establishing what should be the rates that reflect the actual cost of living. In addition, social assistance rates should be immediately and permanently indexed to inflation and supplements such as back-to-school and winter clothing allowances should be kept in place until rates reflective of the cost of living are established.

We also recommend that a flat rate exemption be applied to earnings before any deduction to income and/or rent increases for public housing are introduced.

Ontario's investment in affordable housing is actually lower now than it was during the first years of the new century. The province must develop a comprehensive affordable housing strategy with funding allocations and annual targets for the construction of new affordable homes, new supportive homes, home renovation for low-income households, and rent supplements. We recommend that an additional 1% of the provincial budget be dedicated to affordable housing measures. The government must also reclaim responsibility for the municipal share of social housing program spending.

With respect to child care and education, we recommend that over the next 10-year period, public investment be made to build a high-quality, regulated system of early learning and child care for all children aged zero to 12. We recommend a moratorium on any further tuition increases, and proliferation of the needs-based grants to make higher education more accessible. Training programs matching current labour demand should include ongoing financial support for those moving from welfare to work.

Finally, turning to tax revenue, the cost of the previous government's tax cut legacy to Ontario's fiscal capacity is in the billions of dollars a year. If the current government fails to address the inherited diminished fiscal capacity, it intimates a tacit endorsement of the former government's budgetary strategy.

Ontario must accept the fact that the federal government has chosen to reduce its revenue base by billions of dollars through GST rate reductions and corporate income tax cuts. The government should embrace this as an opportunity to implement changes to the tax system within the province. The current provincial income tax system, with a maximum rate at less than \$80,000 in

annual income, aggravates rather than alleviates the growing inequity. Introducing levels of taxation for annual incomes of \$100,000, \$150,000 and \$250,000 respectively would engender new tax revenue in the order of \$1 billion a year and would be an honest shift towards reducing the ever-widening income gap.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation. The questioning will go to the official opposition.

**Mr. John Yakabuski:** Thank you very much for joining us this afternoon with your presentation.

You talked about your position on dealing with the environment and energy, and you made it clear that you're opposed to the province proceeding with a new nuclear build.

**Ms. Marijana Matovic:** Yes.

**Mr. John Yakabuski:** Where would your group suggest that we get the energy if we don't proceed with that?

**Ms. Marijana Matovic:** The group would suggest that we look into alternative sources of energy such as wind power, relatively clean power derived from water resources. Not only is nuclear power a big danger, but it's potentially a big financial burden. As people in Ontario already know when they look at their bills, there is that charge that everybody is paying for—something that's already there for decades.

**Mr. John Yakabuski:** For OW rates, you suggested an immediate increase of 10%, and tying them to inflation. There was a submitter here earlier today who suggested that those rates need to be increased by 40% to 50% in order to bring them in line with where they would be if they had never been reduced in the past. Your position would be that 10% is sufficient to bring them where they need to be?

**Ms. Marijana Matovic:** No, that's not our position. Realistically speaking, we are talking about this year's budget and only certain allocations can be made, and 10% would definitely bring us closer than where we are right now. Obviously, increases of 2% or 3% are not sufficient right now; 10% would mean at least some relief for those families. But we would hope that eventually those rates would be built up to where they really should be.

**Mr. John Yakabuski:** You talked about child poverty in Ireland and how the rates have been reduced to about 5%. You also blame tax cuts for the current economic problems in Ontario. Most economists worldwide would agree that the biggest impetus for the growth and the success of Ireland's economy in the last several years was massive tax cuts.

**Ms. Marijana Matovic:** First of all, Europe generally has a bit different approach, where they are having more of the transfers, whereby they give to families who are on low incomes various subsidies for certain things, or tax breaks, as opposed to increasing taxes. However, in North America, both the US and Canada are more prone to having taxes. By now, the gap between the rich and the poor has increased so much that the only effective mea-

sure to deal with that inequity, that huge gap—because that gap is one of the social determinants of health—is to actually introduce taxes for those high brackets that are not even recognized right now.

**Mr. John Yakabuski:** So your request is for additional spending. You're recommending, too, that the sources for that be taxation on only higher-income people—not manufacturers, not businesses.

**Ms. Marijana Matovic:** Exactly. People who are bringing home \$250,000 probably should be in different brackets than those people who are bringing \$80,000 for their families.

**Mr. John Yakabuski:** So what should we be taxing those levels of income at?

**Ms. Marijana Matovic:** That's really beyond what I am ready to respond to right now.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation.

For the committee, the 1:30 presentation has cancelled. We'll recess until one of our presenters arrives.

*The committee recessed from 1328 to 1337.*

#### ONTARIO SCHOOL BUS ASSOCIATION

**The Chair (Mr. Pat Hoy):** The committee will now resume its afternoon hearings. We have the Ontario School Bus Association willing to present at this time. We thank you both, gentlemen, for being prompt and keeping our committee moving along here today. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

**Mr. Vaughn Richmond:** I'm Vaughn Richmond. I'm southeast district director for the Ontario School Bus Association.

**Mr. Mike Casey:** Mike Casey, director, Ontario School Bus Association.

**Mr. Vaughn Richmond:** Good afternoon, and thank you for the opportunity to present today. Again, my name is Vaughn Richmond. I'm a director of the Ontario School Bus Association and operate Richmond's School Coach in Belleville.

The Ontario School Bus Association represents 170 school bus companies operating 14,000 vehicles across Ontario. We transport 800,000 students to and from school safely every day. Our members are primarily family-owned businesses, with more than 60% operating 20 or fewer vehicles. We are proud that our members have long-standing ties to the communities they serve. We are advocates for safe, reliable student transportation.

Last week in Timmins, my colleague Patrick Dwyer focused on the funding model for student transportation. Obviously, making the funding more predictable and better reflecting the true cost of operating a school bus will help operators to make long-term capital investments in new and safer school buses.

Today, I want to focus on the issue of driver wages. It is not often you hear an employer arguing that their em-

ployees need to be paid more money, but that's precisely what the Ontario school bus operators are saying.

Our drivers are the lifeblood of our industry. The driver checks vehicles to ensure they are in top working order every morning. They supervise as many as 80 students, in some cases more, while intervening when necessary to ensure children are safe. They make certain their young charges are met by the authorized caregiver at the end of each day. But our drivers are grossly underpaid based on their qualifications, their experience and their responsibilities.

I have passed around, included in the brief, a simple chart that compares school bus drivers to other similar positions. I'm not certain; it may be on the back of the handout. As you can see, school bus drivers earn an average of about \$11 an hour. Compare to that hall monitors who make between \$11.50 and \$12.50 an hour, or crossing guards who make between \$11 and \$14 an hour.

In addition to the brief, I'd like to bring to the minds of the committee that provincial statutes will increase the minimum wage up from \$8.75 in 2008 to \$10.25 an hour in the year 2010, which is going to put us very close to minimum wage for drivers at that point, if our wages don't move.

But where we are losing a lot of our drivers is to municipal transit. As you can see on the graph, municipal transit drivers make around \$25 an hour, more than double what a school bus driver makes. What makes matters worse is that a school bus driver must be far more qualified than a municipal transit driver. I've circulated in the brief a comparison between the school bus driver and the municipal transit driver which illustrates their differences.

To start with, a school bus driver must be 21 years of age, while a municipal transit worker can be 18. School buses require a class B licence or an E licence, which are more difficult to get than a class C licence that a municipal driver can use.

A school bus driver must be first aid- and CPR-trained. We're also expected to administer EpiPens for allergies and whatnot to students. A municipal transit operator does not have to do any of that.

A school bus driver must have a criminal record background check done. Again, we don't see that with a municipal transit driver.

A school bus driver has to manage up to 80 children and intervene to protect student safety. A municipal transit driver is not responsible for passenger behaviour. He or she simply calls 911 if trouble occurs.

A school bus driver must exercise care to ensure younger students are met at the drop-off point by an authorized parent or caregiver. A municipal transit driver simply opens the door.

School bus drivers are also responsible for monitoring traffic and directing students when to cross roadways. Municipal transit drivers have no such responsibility.

A school bus driver must inspect their vehicle daily, with 44 inside and outside mechanical component checks. Transit drivers do not have that responsibility.

Is it any wonder we are losing good people to other positions with more money and fewer responsibilities? You might ask, why do people stay as school bus drivers, then? The answer is that they basically like working with the students. There is a real sense of reward that comes with seeing the same children grow up over the course of a year or even a decade.

We want to keep good people working as school bus drivers. Stats show us that experienced drivers are safer drivers. The number of preventable accidents drops rapidly after the first year on the job to almost none after a few years in the industry. For that reason, driver wages is a safety issue. The rapid turnover of staff in our industry is leading to fewer experienced drivers, and according to our stats, that may be impacting the number of preventable accidents that are not avoided.

You might say, "You are the employer. You need just to pay your workers more." The challenge we have is that our industry is funded almost completely by school boards with a budget determined to the penny by the Ministry of Education. Unfortunately, the ministry's budgeting is based on models of what it costs to run a school bus that include wages at this low level.

Members of the Ontario School Bus Association would be pleased to pay our staff more. But it can't be done without the Ministry of Education recognizing the need for higher driver wages in their calculations of student transportation funding. The Ministry of Education needs to address this critical issue of student safety. Good drivers leaving our industry is a real challenge. Only the Ministry of Education has the tools to fix the problems.

At that, I thank you very much. My colleague and I would be happy to take any questions.

**The Chair (Mr. Pat Hoy):** Thank you. We'll go to Mr. Prue of the NDP.

**Mr. Michael Prue:** School bus drivers, when I see them, they're both men and women. Is there a predominance of one over the other? I'm thinking here about an employment equity issue. Are more bus drivers women today than men?

**Mr. Vaughn Richmond:** I would say it's fairly evenly split. With the longer runs, we have seen a bit of a demographic change; with staggered bell times, more hours on the bus. A lot of the mums aren't able to work because they still want to be around with their family duties, so you do see more semi-retired people. By and large, I think it's fairly split, and it's been fairly constant that way over the years.

**Mr. Michael Prue:** There are many low-paying jobs in Ontario. Unfortunately, most of them have to do with children, whether it's child care workers or school bus drivers. When you work with children, you sort of work for less wages. Should the government be instituting a similar program to that which they did for child care workers to up the wages?

**Mr. Vaughn Richmond:** I'm not familiar with the child care wages per se. I can tell you that at one point, the training in our industry going back a number of years ago wasn't such as it is today. My personal experience

with training my people—I put in, I believe, 70 hours training for these people. So it's not just a simple process of "Hi, how are you? We'll stick you behind the wheel and if you can do okay, we'll get you licensed." Now there are training programs that we must run through, so the level of requirements that an individual must meet as a candidate has certainly grown tremendously over the years.

**Mr. Michael Prue:** Are the wages in large cities like Toronto or Ottawa any different from wages in rural areas, or are they pretty much the same?

**Mr. Vaughn Richmond:** I'll let Michael tackle that. He's with—

**Mr. Mike Casey:** I've got operations throughout different parts of Ontario that I oversee. In Ottawa, for example, we are exactly at the \$11 an hour average for a driver right now.

When you look at what's gone on as far as school bus driver responsibilities compared to 10, 15 years ago, it's quadrupled in my view. As we have more school boards look at consortia and shared busing between school districts and we look at more multiple routes through staggered bell times and doing with one bus what three used to do, I think the challenge has been trying to capture some of those savings to put back in the driver's pockets. If some sensitivity can be put toward that at least, that may help the situation. If you look at multiple routes and saving on the capital costs and having extra buses out there, it'd be good if some of that can go back into the driver's pockets.

If you look at the responsibility relative to dropping children off, it's not the simple matter of just picking them up and dropping them off. They have to be prepared to administer EpiPens, first aid and CPR, and make sure that they match up with the parents at the stop.

There are variables out there too that people may not know. For example, on Monday, Wednesday and Friday, you may have to drop off little Sally at grandma's, but Tuesday and Thursday, unless it's raining, she goes home. If we don't have continuity of driver, those variables that our communities need become tougher to take care of.

**Mr. Michael Prue:** What is the turnover rate? What percentage of drivers would you lose every year either to other transit companies or they go out and get another job that pays more money doing anything? What's the turnover?

**Mr. Vaughn Richmond:** I would say it runs as high as 30%, which is very hard to handle. It does fluctuate from year to year. Personally, my last year's turnover was 22%, and that's difficult, to get that many people in the seat and try to keep that continuity of safety rolling.

**Mr. Mike Casey:** The other thing we need to keep in mind is that there is a new law relative to hours-of-work legislation that school bus drivers have to adhere to. That has put them in a situation where they have to look for other employment that will not see them impacted by hours-of-work legislation.

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Don't get me wrong: We don't want sleepy drivers. But municipal transit drivers—who do a great job—do not have to comply with hours-of-work legislation. They make twice per hour what a school bus driver makes. These drivers have to complete forms and submit them, and if they don't have them with them on the bus, they can be charged \$300 or \$400, and they're now going to the Home Depots and call centres for employment to avoid getting into that. Because of the hours-of-work legislation, we've had a lot of good people who've had to move on to other career opportunities that will not see them laid off three times a year, that will not see them with increased demands and lower pay.

We're here today to see what we can do to keep the good people we need.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation.

**Mr. Vaughn Richmond:** Thank you very much for your time.

**The Chair (Mr. Pat Hoy):** Thank you for stepping up a little early; we appreciate it.

**Mr. Vaughn Richmond:** We're always on time.

**Mr. Mike Casey:** We can leave now to go do our school runs.

### PEOPLE FOR A BETTER OTTAWA

**The Chair (Mr. Pat Hoy):** Now I call on People for a Better Ottawa to come forward, please. You have 10 minutes for your presentation; there could be up to five minutes of questioning. I would just ask you to identify yourselves for the purposes of our recording Hansard.

**Ms. Shellie Bird:** Thank you for this opportunity to present. I am Shellie Bird, and this is Linda Lalonde; we will be co-presenting. We are both active members of People for a Better Ottawa.

The goal of People for a Better Ottawa is to work with city council to build a city that is caring, inclusive, healthy, diverse, culturally vibrant and safe—a city we can be proud to call home.

People for a Better Ottawa is a broad-based coalition of individuals, community groups and agencies across the city of Ottawa that wants to protect and enhance the quality of life for all residents. We have been working together since 2004 to engage city residents in municipal issues, in consulting on municipal budgets, and in municipal elections.

Over the past 10 years, it has become clear that large cities cannot deal with the increasingly complex needs of growing and diverse populations on funding frameworks of the past. Large cities have become the economic engines of our province yet do not have the means to fund massive service and infrastructure costs to meet the needs of their populations.

City governments receive eight cents from every dollar Canadians pay in taxes, yet they deliver 60% of services, while senior levels of government walk away with 92 cents from every dollar. This is unacceptable and

needs to change. Federal and provincial budget surpluses are coming at the expense of large urban cities and the majority of Ontarians who live in them.

If the province is serious about poverty reduction, it must begin by addressing the needs of its cities. It must fully support the costs to cities so they can run effective programs and services that can expand and grow to meet the needs of growing populations.

It is clear that our city cannot rely on property taxes alone to make ends meet. There is urgent need for long-term funding arrangements that are predictable and sustainable. Our city, like others, needs new and creative revenue-generating strategies. Property taxes are a regressive form of taxation for funding vital health and social services. This needs to be fixed. Cities need greater powers for raising revenue such as: municipal income or sales taxes; municipal lotteries; events and hotel taxes; vehicle taxes; municipal bonds; and access to a fair share of sales and income taxes.

The province must take steps in the 2008 budget to immediately upload the costs of public health, housing, child care and settlement services. It must take steps to ensure that user fees for public transit, recreation and access to services do not create barriers for residents. Poverty reduction strategies must include funding to cities so that all residents are able to access important cultural, health and community events. Services for the public good should be paid for by taxes, not user fees.

Residents of Ottawa, like those in Toronto, want to make sure that the right level of government is looking after the appropriate programs and services, that each government's responsibilities are clear, and that they receive adequate funding. The funding and delivery responsibilities that were downloaded onto municipalities should be partnered with increased funding or access to new revenue sources.

Community health and social services that our city is responsible for delivering to residents are the first line of defence against poverty. If the province is going to be effective in addressing poverty, it must begin to address the chronic funding shortfalls faced by its municipalities. Large cities cannot be left on their own to deal with the growing costs of vital services such as youth services, child care, housing, mental health, addiction programs, supportive housing and public health without increased and sustained funding.

Early learning and child care in Ottawa has been ravaged by the effects of provincial downloading and neglect. Downloading of costs and delivery responsibilities for child care has left huge gaps in the funding arrangements between the city and the province. The 80-20 cost-share arrangement for this program stands at something like 70-30, leaving our city to find unfunded costs for this program from other scarce city revenues or through regressive cost containment measures. Added to this is the effect of underfunded Best Start child care spaces. The cost of a space in a large urban area runs at about \$10,500, while the province is only providing \$7,000 toward the cost of these spaces. There is every

expectation that without immediate relief from the province to cover its fair share of the costs for our child care program, we will face service reductions in 2009. And this is just one service of many that the city is unable to sustain without new revenue or new tools to help them fund and deliver programs and services that residents have come to expect. It is unacceptable that cities are being forced to dismantle essential services in a vain attempt to match revenues with expenditures.

**Ms. Linda Lalonde:** I'm going to talk about strengthening society.

The government has committed to the creation of a provincial poverty reduction strategy, and a ministerial committee is already looking at how it will be developed. We have seen the incredible progress that has been made in other places around the world and, closer to home, in Newfoundland and Labrador when a government follows through on its commitment to reduce poverty. The benefits are far-reaching and encompass all parts of society, not just the low-income population.

This budget and each of the next three budgets must contain a minimum guaranteed investment that would set aside a block of \$25 million in new money—and I emphasize new, not recycled, money—to be available to implement the elements of the strategy as they are developed. This would give us an investment in poverty reduction of \$100 million by the 2011-12 budget.

In order to get the strategy off the ground, the government should identify initiatives to be implemented in the first year of your mandate that require minimal legislative change and/or not a lot of money. By the last half of the budget year, the planning process will have progressed to the point where major initiatives can begin.

It is imperative that the poverty reduction strategy be developed in a way that, while it has some province-wide components such as increases to social assistance rates and the minimum wage, allows for locally developed solutions. The province must provide funding to municipalities and school boards—that's on behalf of the Ottawa school board; they couldn't make it here in this weather—so that they may respond to the needs in their communities. As the levels of government closest to the residents of Ottawa and other communities across this province, they are uniquely situated to develop and deliver programs that are not cookie-cutter or one-size-fits-all, but custom-designed and community-responsive.

On public health, this budget must include, as a first step to uploading the funding of provincial services, the transfer of responsibility for public health funding from the municipalities. Smaller municipalities can ill afford to carry the costs of proper public health programs on their limited tax base. We saw the tragic results of this in Walkerton and see the consequences as communities try to implement the regulations put in place in its aftermath. The SARS crisis showed us other weaknesses in the system which will, again, take years to fully recover from. Imagine if SARS had happened in Thorold, Kenora, or even in Ottawa—all communities without the public health infrastructure of Toronto. These are just the

most public of the examples of why public health needs to be delivered at a local level but funded and, more importantly, managed and coordinated provincially.

**1400**

It is also important that the operation of the services remain at the local level so that the municipality can integrate public health initiatives with housing, social assistance and other human services as well as with public works operations. Every resident in every community across Ontario should have public health services appropriate to the needs of their community. Municipalities should not be funding public health to the detriment of other necessary public services. These costs should be uploaded in their entirety in the 2008-09 budget. This would allow a period of transition in the remainder of 2008 so that municipalities could set up the appropriate administrative structures for January 2009.

To sum up, Ottawa needs the federal-provincial-municipal fiscal structure to be reformed so that the costs of providing services are fairly distributed both among residents and among governments. The province must give the municipalities the tools to build and maintain the social, environmental and fiscal structures our residents require.

When you build, with the people, a better Ottawa, a better Sioux Lookout, a better Barrie and a better Mississauga, you will have built a better Ontario. Thank you.

**The Chair (Mr. Pat Hoy):** And thank you. This round of questioning goes to the government.

**Mr. Charles Sousa:** Thank you very much. We appreciate you being here and doing the work you do.

You mentioned some of the things that we've done. I can talk about the minimum wage increase, affordable housing, dental health care, child care space increases, the Ontario child benefit—a lot of initiatives that we're undertaking, and obviously a lot more is necessary.

You mentioned \$25 million—I'm just trying to cost this thing out now. In Ottawa specifically, what is the number that you're looking for? Is \$25 million what you estimate will be required?

**Ms. Linda Lalonde:** We're talking \$25 million province-wide, specifically for poverty reduction, in new money. That would be over and above any reshuffling of money that is already being spent by the government.

**Mr. Charles Sousa:** And you talk about wanting to work together. That's important. How has it been over the last four years for you in dealing with government now?

**Ms. Linda Lalonde:** We've had some successes and we've had some not successes. That's part of the vagaries of working with politicians. You're lovely people, but I think part of it is just building up the culture of working together, and we have been able to move quite far in that direction.

**Mr. Charles Sousa:** I believe that had a lot to do with the work that you and others have put forward. It's an important aspect, extremely important, in everything that we've done. I'd say that 40% of those who appear before us is as a result of poverty and the issue of the most

vulnerable, so I appreciate that you did, and we'll try to keep it up. Thank you.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation.

#### ASSOCIATION OF CANADIAN FINANCIAL OFFICERS

**The Chair (Mr. Pat Hoy):** Now I call on the Association of Canadian Financial Officers to come forward, please. Good afternoon, gentlemen. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard, and you can begin.

**Mr. Milt Isaacs:** Good afternoon. My name is Milt Isaacs and I'm a certified management accountant with over 30 years of combined experience in the public and private sectors. Since the spring of 2001, I've been the president of the Association of Canadian Financial Officers, an organization representing financial officers working in the federal government.

As the president of this association, I sit on the board of VenGrowth, the largest Ontario labour-sponsored investment fund, with assets amounting to close to \$900 million. A number of other unions, also supporters of labour-sponsored investment funds, have agreed to my representation of their views on this issue.

You should know that there are close to 700,000 members of Ontario labour organizations that sponsor LSIF. With me today I have representation from two of these unions: I have the Canadian Police Association, Pierre Collin, and Eddie Gillis from the Professional Institute of the Public Service of Canada.

It can be said that I speak on behalf of groups representing hundreds of thousands of unionized employees throughout the province. It can also be said that we represent hundreds of thousands of investors in labour-sponsored investment funds. In total, we represent investments of more than \$3 billion in the province of Ontario.

In September 2005, the Ontario government announced that it was cancelling its tax credit for investments into LSIFs. This decision was a surprise to us and, in our opinion, was based on a limited appreciation of the benefits that this program has to offer to the Ontario economy. At that point, we engaged the decision-makers and presented information that was overlooked on the initial assessment. We appreciated the leadership demonstrated as they took a course correction and decided that, instead of eliminating this program, their approach would be to phase it out. It was our understanding that this change of course would have allowed the government to review the program and in the future reconfirm the tax credit. We felt that the tax credit should have been confirmed and even increased, not just reinstated for a few years. Today's economy needs stability, not decisions made on the fly without full consultation.

In December, a decision was made to extend the program for another year. While we appreciate the effort,

you must understand that extensions of a year at a time do not allow us to invest in companies for the long term, as we have to be mindful of our investors' interest in possible exit strategies. We need a commitment from this government. We need a long-term commitment that will allow us to invest in Ontario's future economic development.

The approach taken to introduce change to the LSIF tax credit concerns us because the government has not consulted unions, yet we are the legislated sponsor. Decisions on a program like this should only be made after close consultation with all those involved, appropriate studies, and a very good understanding of what the impacts of the decisions will be.

We felt that the government would take advantage of this respite in order to study its position. However, we were very surprised, when we met in March 2007 with senior bureaucrats from the finance department and the Ministry of Research and Innovation, to see that they were still basing their opinions on biased and out-of-date reports and limited data when it came to LSIF.

We felt that the Ontario government was on the right track when then-Minister Greg Sorbara told us in Ottawa that the government would "look back at the steps it has taken in regards to LSIF and see how, in the future, they can be involved in the venture capital market in Ontario." This encouraging statement was later confirmed by e-mail. We acknowledge that it would probably have been easier for the minister not to backtrack or promise to change his 2005 decision. We recognize that all programs need to be reviewed on a regular basis. We are ready to collaborate with the government. This type of co-operation is needed to make a successful program more successful.

Labour-sponsored funds represent the majority of venture capital investments in Canada and in Ontario, providing much-needed seed funds to a number of small companies with great ideas that in the end showcase Ontario as the hotbed of new technology fuelling our economy. We have invested in over 200 companies, created at least 27,000 high-value jobs in Ontario, lowered the unemployment rate by almost half a percentage point in the province, and supported companies with over 75,000 employees. The case of Research in Motion is one that we all know and can appreciate. This is only one example of LSIF involvement in Ontario's economy. It is important to note that many companies that are now able to commercialize their groundbreaking technology have been funded in part by LSIFs.

LSIFs tend to target investments that other venture capital firms would not. Through the tax credit, you are not supporting competition between LSIFs and other companies, but actually helping sectors of the economy that would not otherwise receive support. Also, it would be hard to talk about LSIFs without mentioning the management expertise that we bring to small companies on the verge of making it big. Without our guidance, some of these companies may not have been able to move forward and be as successful as they have been.

This type of expertise cannot be replaced by banks or government officials.

Thanks to the expertise of our fund managers and other funding groups, including those from the United States, who have partnered with us to invest in some Ontario firms, we've brought hundreds of millions of dollars into our economies, dollars that would not be there had we not been involved.

#### 1410

Due to labour-sponsored investment funds, Ontario has drastically increased exports. A sample survey of about half of the companies having received LSIF support shows that their exports were over \$1.5 billion.

Our return on investment is better than any other mutual fund, which is by itself a great achievement when you consider that we invest in high-risk start-up companies. It is even a good return on investment for the government since, for example, one year's worth of provincial tax revenue due to LSIFs was over \$350 million, a number that far exceeds the cost of the Ontario tax credit. The 2004 Allen study stated that the government's costs should be recovered in the same year. Not many government programs can claim that same success.

We understand that the Ontario budget is not unlimited and that when you create a new initiative you need to look at other programs and see where cuts can be made.

Finally, we understand that in 2005 the budget situation was difficult and that the province was trying to balance its books. Minister Sorbara told us in March 2007 that when he looked at the books in 2005, cuts needed to be made but that maybe cutting the tax credit for LSIFs was not the right decision. We agreed with him.

We urge you to stop the rolling-of-the-dice strategy. By this, we mean that the government should not suddenly cut funding to a proven provider of venture capital to a vulnerable yet vital sector of the economy in order to create its own fund which may or may not work in the future. We feel that there is room for both.

We believe that Ontario needs to continue to help LSIFs and even increase the tax credit. This has been done by New Brunswick and Saskatchewan; why not Ontario?

Let me quote the Saskatchewan Minister of Industry and Resources: "Saskatchewan residents want to see their investments at work in the province. It's a great program all around. The funds build companies and jobs and contribute to building a stronger economy." He also stated, "These funds also provide a great mechanism for people to reduce their personal taxes while promoting economic growth." This last statement was made four months after the Ontario government began the phase-out of the program.

We need to support programs that work. The LSIF program works. We need to move forward together in a positive way.

The economy is uncertain. Talk of a recession south of the border have economists fearing the worst for our own

economy. Job losses in various sectors of the economy have had a devastating impact on some communities.

What Ontario's economy needs is stability. What our businesses require is long-term certainty. They need to know that they can count on LSIFs to support the development and commercialization of their ideas which could be the next BlackBerry or a medical device that will help save lives.

Ontario needs to decide whether it will be leading the pack in terms of the new economy or whether it wants to follow others. It needs to decide if it wants high-tech firms to stay or move out of the province.

This is why we are requesting that this committee recommend that the tax credit for labour-sponsored investment funds be confirmed and that the announced phase-out be cancelled. We're also asking this committee to recommend that the government sit down with us, the labour movement involved in LSIFs, to look at the program and see how it can be improved in order to meet the needs of the 21st century.

Are labour-sponsored investment funds perfect? No. Can they be improved? Yes. Should we work together to improve this program and continue to deliver jobs and revenues to Ontario? Absolutely.

**The Chair (Mr. Pat Hoy):** Thank you for the submission. We'll go to the official opposition. Mr. Hudak.

**Mr. Tim Hudak:** Thank you, Mr. Isaacs, for the presentation today. Could you just remind me what the current phase-out schedule is?

**Mr. Milt Isaacs:** I believe it ends in 2012.

**Mr. Tim Hudak:** So when you say it has been postponed for a year, the initial step of that phase-out has not happened yet, or it has just been postponed past—

**Mr. Milt Isaacs:** It is phasing out now. There's a reduction in the level of tax credits that you get in each year. I forget exactly what those phases are.

**Mr. Tim Hudak:** And the credit is upon money that you invest into the LSIFs, as opposed to the profits that come out of it.

**Mr. Milt Isaacs:** Right.

**Mr. Tim Hudak:** You mention on your last page, I guess it's page 3, that it's better to continue with LSIFs, which is better than the government creating its own fund which may or may not work in the future. I think you're referring to the province's considering its own type of investment fund for research and innovation. I think that was announced just a month or so ago. Why do you feel that the current LSIF model is better than what the province is currently proposing?

**Mr. Milt Isaacs:** I don't know. It's a different program; I wouldn't say it's better. The benefit that you get with LSIF—we do a couple of things. One is that we have available to us other management teams in companies that were already invested in. That management, CEOs, CFOs, COOs, is available to us. In terms of, can we really prove it, it's unknown, but in terms of what LSIF has to offer versus what seems to be the program that is being presented, we have that aspect.

**Mr. Tim Hudak:** You may not know any more than members of the committee do, but I remember the announcement that the Premier and the Minister of Research and Innovation made with respect to the new fund, and I'm not sure how that fund is going to operate. The province has put some money into it, but are you aware of the mechanism that's being used by this new proposal? I'm trying to understand the difference between the approaches, I guess.

**Mr. Milt Isaacs:** The only thing I know about the new proposal is that when it was initially talked about, it was almost a shared responsibility. They were looking for, I believe, the institutional funds and angel investors to come up with a certain amount of money. I believe the amount was \$90 million or \$300 million at one time and then it was back to \$90 million because they didn't find any interest out there. What you're trying to do with \$90 million is compete with, or replace, in my view, a \$3-billion industry that has a proven track record.

**Mr. Tim Hudak:** Another point you make that I just want to explore is on your second page, where you talk about how LSIFs tend to target investments that other venture capital firms would not. How can you make that point? How do you know that other venture capital approaches wouldn't fund particular projects?

**Mr. Milt Isaacs:** There's an obligation, there's a commitment, on LSIF when you bring labour to the table, that's sort of the unique aspect that we bring in, those components. Our focus is in that area, where institutional funds, their area is really primarily the bottom line in terms of the profits within those funds, so there isn't a commitment within that structure that they have to concern themselves with the social implication of where they invest. They're really focused on the return on investments.

**Mr. Tim Hudak:** Could you maybe give an example of an LSIF-sponsored project that wouldn't necessarily be taken up by a venture capital fund that has that social element built in?

**Mr. Milt Isaacs:** I couldn't give you a specific company but I can give you the approach, if that would help.

**Mr. Tim Hudak:** Thank you.

**Mr. Milt Isaacs:** One of the things that we look at when we're investing into companies is sustainability of those jobs. For example, I sit on the investment committee in VenGrowth, and one of the challenges that we put forward to the funding manager is, "What is the HR strategy for this company moving forward? How many folks are they going to employ? What percentage of those folks are what we consider sustainable and sort of a high-end, meaningful employment, as we refer to them, and what commitment does that company have to that? What are the benefits in around there? What element is this particular commercialization exposing to risks? What are the market plans?" So you can bring forward a marketing aspect of a particular product they want to commercialize, but we examine the available markets for those. Then, once you do that, you also say, "Well, what is it then that you need as a workforce, and is that market

sustainable? If the market's sustainable, then this workforce should be sustainable." Then you should be able to therefore provide meaningful employment, sustainable, and also the benefits, so there's a social application to it as well. That's what we bring in the labour-sponsored investment fund.

**Mr. Tim Hudak:** Thank you.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation.

For the committee, the 2:15 has cancelled.

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#### ALLIANCE FOR MUSIC EDUCATION ONTARIO

**The Chair (Mr. Pat Hoy):** However, in the room we have the Alliance for Music Education Ontario that will present. You have 10 minutes for your presentation; there may be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

**Mr. Jim Palmer:** My name is Jim Palmer. I'm president of the Ontario Music Educators' Association. I'm here today representing the Alliance for Music Education Ontario.

I'm appearing before you today to bring new life to a message you have heard before. I suggest to you that this message can help save lives in our schools.

In November 1997, more than 3,000 anguished parents who believe music is a crucial and indispensable element of modern education hand-delivered a letter to their local Scarborough MPPs which said: "Like all parents in Ontario, we judge the quality of our lives, and the character of our leaders, on the basis of many factors. One of the most important at all times in this province's history—and never more than now—is the quality of the education our children receive. John Dewey, the great educator, said that, what the wise parent wants for his or her child, society must want for all children."

Those words resonate today, a full decade later, when media headlines scream out about youth violence, disengagement and despair. What those wise parents wanted then and still want for every child is a safe school and caring, qualified teachers delivering an enriching, balanced curriculum which includes music education. They have seen just a few of the many studies that show that music has a significant effect on a child's development. Perhaps more importantly, they know that in today's society, school music programs connect young people to their community, and this is what many of them are seeking today. Every child who joins a gang looking for a sense of belonging could be joining a band or a choir. A choir is, in fact, a gang of singers, but it's a gang in which they can find their identity and purpose in a positive environment—positive for themselves and for their community.

I'm a parent of four children and a teacher with 24 years of experience. I appear before you today on behalf of the Alliance for Music Education Ontario, of which

the OMEA is a founding member. Other member organizations include the Canadian Music Industry Education Committee, People for Education, and the Coalition for Music Education in Canada. The American Federation of Musicians Canada, representing thousands of professional musicians nationwide, supports our beliefs and principles as well. Together, we represent thousands of Ontarians from across this province. It is a unique, grass-roots collaboration of organizations committed to finding ways to ensure the delivery of quality music education to all Ontario children, regardless of their economic status, geographic location or skill level.

In our ongoing effort to assist the Ministry of Education, in May 2007 the Alliance for Music Education Ontario presented a brief to the minister. Our brief was distributed widely and has been well received and posted on many websites; every director of education has received it, as well as provincial education associations and organizations. It has been presented to the Ontario College of Teachers and faculties of education in the province, as well. A list of the key recommendations is attached to your brief. We believe the recommendations, when implemented, will help the government ensure that every child in Ontario has the music education he or she deserves. While the recommendations raise policy and regulatory issues under the authority of the Ministry of Education, the Ontario government must first commit sufficient and targeted funding to music. When this happens, the education ministry will have the resources it requires to fully implement its existing and newly revised world-class music curriculum for the children of Ontario.

The link between sound education policy and economic prosperity is universally recognized, as demonstrated by the significant and admirable commitment to improving education made by this government in its first term. However, the demonstrable link between the arts, and music education specifically, to both sound education policy and economic prosperity has largely been overlooked or ignored by successive provincial and federal governments. The neglect and decline of public music education in Ontario clearly demonstrates a fundamental misunderstanding of the wide-ranging socio-economic benefits of investing in the development of a universally accessible music program.

Countries such as Hungary, Japan and the Netherlands, whose children continually rank highest in world scientific achievement tests, consider music an integral part of their school curriculum and provide funding and resources to support it. Here in Canada, other provinces, particularly in the Maritimes, have made that link. Newfoundland requires every high school student to complete two music or fine arts credits—double the Ontario requirement—and has incorporated an elementary music curriculum which celebrates and promotes its heritage. It targets specific resources and funding to each school district to provide a music specialist teacher for each school, regardless of location. It has done so because the province recognizes the connections between

music and culture, and culture and the province's economy.

Ontario's government also recognizes this connection, and the alliance applauds that. However the measures taken and the investments made are simply not targeted enough to enable all Ontario children to achieve excellence in all aspects of the mandatory curriculum, especially music. Given the funding and resource pressures faced by school decision-makers, discretionary grants linked to announcements about funding for instruments and music rooms, while well-intended, do not achieve their purpose.

The sad reality is that quality music education is just not available for the vast majority of Ontario children, especially those living outside of urban areas where almost no formal music education exists at all. A commitment to targeted funding for music education for all schools is long overdue. Therefore, we ask that the budget accurately reflect the importance of music to our children, to our schools and to our community.

I emphasize again that education funding must be targeted for specific purposes. Our position is as follows: Every child in Ontario has the right to a music education delivered by a qualified music teacher. Secondly, a music teacher must meet minimum standards of musical literacy; in short, to teach music, a teacher must understand the language of music. Third, the government must provide sufficient and targeted funding to bring quality music education to every child in Ontario. Surely the richest province in the best country in the world can find the ways and means to give our children the education they need and deserve to become fully realized individuals and contributing citizens.

I began this presentation with a provocative statement, that music might save a child from the terrifying influences of a gang. You may find yourself saying, can music really make that kind of a difference? It absolutely can make that kind of a difference, and I speak with the certain knowledge founded in my own quarter-century of experience in the music room. I have taught students who would not have been in school had it not been for their membership in the band. In spite of whatever else might be going on in their troubled lives, they knew they couldn't leave school, and not just because the band was a welcoming and comfortable place for them. In music, they found themselves needed: their bass guitar was vital, their rhythmic drumming was a necessity, their wailing sax indispensable to the group. In band or choir or any other musical gang, they are wanted, needed and accepted. Can it make a difference? It can, it has, and it will.

On behalf of the thousands of parents who want to give their children the best chance at a happy and productive life, we are urging you to help them get there. The government must provide sufficient targeted funds, and you will bring quality music education to every child in Ontario today. Thank you for your time.

**The Chair (Mr. Pat Hoy):** Thank you. We'll go to Mr. Prue of the NDP.

**Mr. Michael Prue:** This is the finance committee, so I guess I always have to ask about money. You've not set an actual target. How much money was taken out of the system for music education in the last 10 years?

**Mr. Jim Palmer:** It has less to do with money being taken out of the system and being targeted specifically to other areas—we have no argument that areas like literacy and numeracy are vitally important to our children, but when certain funds are targeted to specific purposes and other areas are left to kind of scabble over what's remaining, then it puts a disadvantage on those areas. Music has certainly felt that disadvantage, I would say, especially so in rural areas and in elementary schools.

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**Mr. Michael Prue:** We've had teachers' groups and other groups here asking for billions of dollars for education; for post-secondary education, another couple of billion dollars. Where do you see your request fitting in: to what they're requesting, on top of what they're requesting, as well as what they're requesting?

**Mr. Jim Palmer:** Our request is specifically for the area of music. That's our area of interest and our area of expertise. One of the recommendations that we actually make in the document to the Minister of Education is a study to take place to determine how much money is actually required for this.

I can give you an example from other provinces. Last year, Newfoundland targeted \$150 per pupil for arts education. That was a targeted grant to each and every student in the province of Newfoundland for the purposes of arts education. At the same time, a targeted grant was made in Ontario; rather than \$150 per student, targeted funding for arts education last year was \$1.50 per student. So that's the kind of inequity that we would like to address. If we got to that \$150-per-student grant that currently exists in Newfoundland, we'd be very happy.

**Mr. Michael Prue:** I can show you how old I am because when I was in high school you had a choice of taking either arts or music, and every child in grades 9 and 10 was required to take one or the other. That no longer appears to be a requirement. Am I correct in that?

**Mr. Jim Palmer:** We still have a requirement in Ontario that during their high school career, students must take one arts course. That could be photography, art, drama or music. Once again, as I mentioned in my presentation, that's half the requirement that other provinces have; indeed, less than half that some provinces would have as well.

**Mr. Michael Prue:** Okay. So what you are requesting, in part, I guess, is for this committee, being a finance committee, to recommend to the education minister that the curriculum of the schools be modified—I'm not saying changed, but modified—to allow for better arts appreciation and arts involvement.

**Mr. Jim Palmer:** We're talking to whoever will listen, and we realize that it is a complex scenario. What we want to avoid is getting into a kind of Catch-22 situation where we'll go to the College of Teachers—and we have gone to the College of Teachers—and they will say,

“We need the legislation to be changed.” We’ll go to the Ministry of Education and they’ll say, “We don’t have the money to support that.” We’ll go to the finance committee and they’ll say, “We need the legislation that will support the need for the money.” So what we’re trying to do is avoid getting into that situation by talking to all of the parties that are involved in the decision-making process to ensure a quality music education for every student in Ontario.

**Mr. Michael Prue:** You’ve made your points well. Thank you very much.

**The Chair (Mr. Pat Hoy):** And thank you for the presentation.

**Mr. Jim Palmer:** Thank you very much.

### PROVIDENCE CARE

**The Chair (Mr. Pat Hoy):** Now I call on Providence Care to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. I would just ask you to identify yourself for the purposes of our recording Hansard.

**Mr. Larry Norman:** Good afternoon. I thank you for the opportunity of being here. My name is Larry Norman. I’m a taxpayer. I’m also a volunteer, and I’m currently chair of the board of Providence Care. This is going to be about hospitals, but then hospitals represent half the budget and therefore I think it’s only appropriate that they show up and say a few words from time to time.

Providence Care operates three facilities in this city: One is a long-term care facility with some 250 beds; we assumed responsibility for the psychiatric hospital formerly run by the Ontario government; and we operate a complex continuous care and rehab facility with palliative care. We have those three kinds of facilities, quite diverse and quite different.

This afternoon, I want to talk a little bit about three aspects of budgeting. I think there are more than three things that you might consider in budgets, but there are three things I want you to consider on behalf of Providence Care. One is that we need to invest monies in a social sense in this province, and I’ll talk about what that means from Providence Care’s point of view. Every budget must also work at savings. There is a limited supply of that financial thing called money, and savings are an important part of every budget. But we also, as part of budgets, must invest money. We must invest in the future so that in the end we save money and have a return on that investment. That’s probably my business background coming out.

Let me first talk about the social need to commit funds. With our psychiatric hospital, one of the key things that we need to be able to do is put people back into the community. Mental health has a stigma, as I’m sure many of you are aware, which can be helped by having people put in the community in the right and proper way. The biggest inhibitor in putting people back in the community is housing. Having the right kind of housing with the right kind of supports is a real

stumbling block. At the moment, we probably have in excess of 70 people who could go back in the community if we found the appropriate kind of housing. You might say, “Yeah, but what can these people do?” A while ago I was down in our forensic unit and I happened to go into one of the rooms; you might call it a cell. In the room were some books open and a computer, and I asked the person, “What are you doing?” He said, “I’m working on my degree at Queen’s.” There are lots of people like that in the system, but we need a place to put them. If we put these people back in the community where they can make a contribution, we can bring more people into our facility to give them the hope of going back into the community. That’s an investment from a social point of view. It’s an investment governments have done, and we need to continue to do that.

The second point I want to talk about is how we can save money. The health care system needs to save money. As board chair, I am charged with signing agreements and guarantees that I will balance the budget, and I have no difficulty with that; I only wish I had more control over all of that. Let me talk about one area where I have lost control of that: wages and salaries. Some 80% of our costs are people costs, and rightly so. Probably some years ago, the government decided that strikes in the health care system were inappropriate—and I don’t disagree with that—and put into place interest arbitration, or with my background, I would call it mandatory arbitration or binding arbitration. The problem is that I can no longer negotiate a contract with employees because no matter what I do, they’ll get more by going to arbitration. If you don’t believe me, I just had a settlement that gave between 12% and 18% and put me in arrears by \$2.5 million at one of the facilities I run—and the government isn’t about to step forward and give me \$2.5 million. It’s a system that needs to be looked at and needs to be appropriately altered. I want to make it very clear that I’m not here to talk about taking advantage of employees. Employees are the most important asset we have. I’m talking about being fair to the taxpayer, to the institution, and to the people we treat. The people we treat are the most important aspect of the whole health care system. We do need to think about how to solve this issue, because it’s not just not a problem for my institutions; it’s a problem across this province.

The third thing I want to talk about is investing for the future. Some years ago, as some of you may remember, the Health Services Restructuring Commission came through town, and they went through many towns in this province. At that point in time, we were directed to build a new facility, which would have combined two of our facilities into one. Well, here we are, some 10 years later, and I don’t have a shovel in the ground. We are spending a couple of million dollars a year to try to keep these ancient facilities going.

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When I took over the mental health facility from the province, I spent \$8 million to bring it up to fire code. That will give you some idea of what we’re doing. That’s

wasteful of taxpayers' money. I am facing a \$12-million bill at St. Mary's of the Lake just to stabilize the building to keep it from falling down, and I'm still not on a five-year plan to build a new facility. A new facility also brings savings because I don't need two power houses, I don't need two cafeterias, I don't need two of this and I don't need two of that because these sites are not together.

I recognize that this is a political thing and I have to say this, and I'll say it in front of you: John Gerretsen has been a tremendous asset to me in this area. But I also have to say to you that sooner or later this health care system will be a little too precious to leave in the hands of politicians—I say that tongue-in-cheek—because we must try and remove more of the politics out of the system and do what's right from a very fundamental business and economic point of view. I feel we've strayed from that in some ways. Playing political football with the people we have to treat is not an appropriate stance.

I really want to thank you very much for hearing my sermon and listening to me for a few minutes. I'm passionate about what I do. You get a good deal for my money, as a volunteer, and I want to thank you very much.

**The Chair (Mr. Pat Hoy):** Thank you; a very interesting presentation and delivery indeed. This round of questioning goes to the government.

**Mr. Wayne Arthurs:** Mr. Norman, I thank you very much for your presentation—it was certainly worth the time, at least from my perspective—and for your volunteer efforts, you and those tens of thousands, hundreds of thousands or millions of Ontarians who commit some of their time—probably not as much as you, probably not as much as some others—to volunteer. Without it, we wouldn't be here as a province or as a community.

A couple of very quick questions, if I could. Can you take a minute or so and just talk about the type of supportive housing that you think would work for the clientele that you have some responsibility for, since that was a key element of reintegration of folks back into the community? Secondly, can you comment a little more on sort of your final comments about what I'll call, for my purposes, the business of health care, the challenges, the take-it-out-of-the-hands-of-politicians type of thing, just a few more comments on your thoughts around what we might do as a community to maybe bring a greater sense of business acumen to our health care system? As much as the Minister of Health likes to say, "I'd like to think it's a system, but it's not a system yet."

**Mr. Larry Norman:** The first one is housing. This is not a simple issue, and it's a conflict because each person is an individual with a different illness and what not. We do need housing which is supportive where people can go to be monitored, either off-site or on-site. For people who live in this community, we come back to our facility and monitor blood levels to make sure meds are being taken and so on.

They also need to live in a place, though, where they can get meals. I am also part of a church where we feed

probably 100 people today, many of whom were discharged from the institution. I'm saying, "Is that kind of an appropriate setting for these people?" They need to go into a facility which is more like a bed-and-breakfast kind of facility, not to a motel by themselves, where they can be with some peers, because they've lived in an institution with peers for many a year, some of them for 25 years or more. That is their life; that is their community. So we need to have a place where these people can be put together with some level of supervision, and a bed-and-breakfast environment where they can get meals and so on, but come and go. We've been able to train them to open bank accounts and go to the bank. It's amazing what you can do, given the opportunity. There's no one formula that fits all, but we do need to invest in that variety of things. That's one.

From a business point of view, I was at a meeting last night and it's kind of interesting; I'll say this again a bit tongue-in-cheek: I sign off an accountability agreement that says that I will balance my budget. I have no control over the revenue I get. I have no control over my costs, because 80% of our people are costs that I just talked about. I'm told what kinds of programs I have to provide. So what I'm left with in the end is about 20% of the cost; I have to work to try and save money, but I have to say to you that I don't know of any business that has ever cost-reduced itself into prosperity. We have to find some way of being able to bring more and have more—the people on boards are dedicated people who work hard at this, and yet they have so few degrees of freedom to manage the whole thing. And you need to do that.

If I could point the government to one thing they could do—the decision-making process is long and laborious. A business could not survive with a decision-making process that lasts so long. We need to be able to shorten that; as I tell the people in the ministry, I can live with a "yes" and I can live with a "no" but I can't live with, "I don't know." That goes on and on and on, and that's very frustrating for people like myself who come from a business world where you can make decisions in a more appropriate time. It's like if I knew when my new building was going to be on the five-year plan, I'd say, "Well, I'm not going to spend this money to refurbish this facility. I'm not going to do this, and I can save millions of dollars"; because when I don't know, I've got to serve patients and people, so—I could go on for quite some length of time. We don't have that time today, but any time I'd be only too glad to do that with you.

**The Chair (Mr. Pat Hoy):** Thank you for your presentation.

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STUDENT ASSOCIATION OF ST.  
LAWRENCE COLLEGE, KINGSTON  
CAMPUS

**The Chair (Mr. Pat Hoy):** Now I call on the Student Association of St. Lawrence College, Kingston campus, to come forward. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of

questioning following that. I would just ask you to identify yourself for the purposes of our recording Hansard.

**Mr. Jim Robeson:** Good afternoon. My name is Jim Robeson. I am the student president at St. Lawrence College, Kingston, as well as the College Student Alliance east regional director.

I just want to thank you for giving me the opportunity to present to you the future labour shortage and job losses facing Ontario. I am aware that there have been several other presentations similar to this in various locations across Ontario. However, this is taking place because it is such a significant issue that affects the future of the economic growth and productivity in both the business sectors and communities in Ontario, and a plan must be established.

I'm not here just as the president of a student association or a CSA east regional director; I'm here representing all those individuals who could be affected by this. So within the next 10 minutes, I'm going to give you a brief introduction to the current reality, followed by the three primary recommendations to combat this dilemma—those being accessibility, affordability and transferability—followed by a question-and-answer period.

The Conference Board of Canada conducted a report based on the rate of retirees in comparison to the slow population growth in Ontario. What this concluded was that as of 2025, there will be approximately 360,000 individuals without a job, or needing a job. The significance of this is that Ontario colleges are going to have to act as one of the key suppliers to respond to the labour market needs. I think it's quite evident that time is not a factor that we have at this point. The demand for college graduates will intensify and, as the economy changes to globalization, as rapid technology increases and becomes more skill-intensive, those individuals with the college qualifications will be the central core or play the central role in the productivity growth in the communities and in the business sectors.

Just to give you a brief introduction to what St. Lawrence College has done: Since it was established there have been over 70,000 graduates, and of those 70,000, 80% currently reside in a one-hour radius. That's just St. Lawrence. What has Ontario done, or Ontario colleges? There have been over one million graduates since 1967; 33%, or approximately 2.1 million of those graduates, have entered the workforce, and this is in a six-million-strong labour market. In addition to this, just to give you a brief stat: Of all the individuals 25 to 64 who have a high school diploma or less, if they were to have a college qualification there would be an additional 289,000 individuals in the workforce today.

Now just to touch upon accessibility, which is one of the primary recommendations. This is quite broad, so there are other recommendations that fall into place, but I'm going to discuss just two for today, for time's sake.

The first one is that the provincial government needs to provide an increase in college funding and raise it to the national level. With that being said, you can see

there's a gap at this point in time. Manitoba, which is the highest-funded in Canada, is 45% higher than Ontario. Prince Edward Island is the second-lowest funded in Canada; Ontario is 18% lower than that. Just to continue with this, college students are funded at a level 38.3% lower than universities and 47% less than secondary schools. This is just 70% of the national average of \$8,800. As you can see, the chart here depicts exactly what I'm talking about.

The second recommendation I have is that the provincial government must reduce the barriers that are affecting students at this point in time. Obviously, I think it's quite evident too that this is a financial constraint. If we want to take a closer look at this, we need to look at the under-represented students, those students with disabilities, aboriginal students or students coming from low-income families. The majority of qualified students who come from low-income families find it difficult to attend post-secondary education because of the risk of educational costs and the prospect of the large student debts.

In addition to this, the difficulty to pay for education has resulted in 19% of children from low-income families going on to university and only 29% going on to college. I think this speaks for itself and is quite troubling.

Now for affordability and the recommendation here: The Ontario government must urge the federal government to remove the Canada Millennium Scholarship Foundation immediately and communicate a strategy for Ontario to reinvest in alternative grants. You can see here that from 1999 to 2005 it accounted for student debt of about \$91 million, and this is annually. In addition to this, in the seven years of its existence the Canada Millennium Scholarship Foundation has provided Ontario with just under 260,000 non-repayable need-based grants and just above 6,000 awards totalling \$789 million. The approaching end of this in 2008 and 2009 will mean that \$108 million per year in need-based grants will disappear. Obviously, with that comes the accumulation of more debt. Just to see how this is helping and benefiting so many students, at St. Lawrence College it helped over 500 students last year.

Now I'll touch on transferability. What needs to take place is that the provincial government must provide more funding and resources to the College-University Consortium Council. At this point in time, this council has funded a number of advanced training projects in an effort to further collaborative partnerships or create these partnerships between the universities and colleges. Since this, they've created and maintained the Ontario College University Transfer Guide. Articulation agreements and current transfers have also taken place between the universities and colleges. The government of Ontario must increase the funding and provide greater authority to the CUCC to ensure easier transition for students from within the college and university systems and be an active college-university liaison, and enhance the Ontario college-university degree completion accord.

I'll just give you a brief summary: The current problem is that, as of 2025, there will be a labour shortage of 360,000 people in Ontario. The action that must take place—and I could go on for quite a while about this—is that accessibility, affordability and transferability be implemented. The result of this: a significantly reduced risk of this labour shortage.

I thank you for your time and I'll be happy to answer any questions you may have.

**The Chair (Mr. Pat Hoy):** Thank you for the presentation. This round of questioning goes to the official opposition.

**Mr. Toby Barrett:** Thank you, Jim, for that presentation on behalf of the St. Lawrence College student association.

You talk about a million graduates since 1967. I wonder if, in your perception, being part of the community college system—I'd like to talk about the university system in a second—we are locked into any kind of 1960s mentality, given that the whole organization was set up back in the 1960s. Many of the people who were involved back then I'm sure are retired by now. I sometimes wonder, having been involved myself closer to the beginning, whether the college system itself is somewhat of a non-system or an atrophied system or a dysfunctional system. Do you have any big-picture recommendations as far as restructuring or reorganizing the college system or, perhaps as you've suggested, how it relates to the university system?

**Mr. Jim Robeson:** Thank you for the question. I think at this point in time the colleges and how they're looked at is still that there are levels between university and college, and that college may not be the equivalent of university.

With that being said, what needs to take place is that image—they need to be on the exact same levels. You can see through the chart I've provided that we've seen over 20,000 additional graduates since 1994-95. On an annual basis, it's 54,000 individuals who are entering the workforce, and because of this, or with this being said, I think it's quite clear that although the college system may be considered dysfunctional or whatnot, or it could be restructured, the students are attending it on the primary basis of the cost. University costs so much, and the student debt that you acquire from that is just tremendous. So if we can, like I said, change that image so it's at the same level as the universities, I think that will add so many more students coming in.

Also, with the transferability, where you can go to university now from college, at St. Lawrence they have just collaborated with Laurentian University, so you can now do a three-year marketing program and get a BBA from Laurentian in a year and a half. With that being said, you have both the theoretical and the practical aspects. So I think if we work along those lines and incorporate these recommendations I've discussed, we will see a transformation.

**Mr. Toby Barrett:** In discussing the college system and somewhat the university system—and I know you

only have 10 minutes—you talked about future labour shortages, job losses, economic growth and productivity, but you really didn't have time to get into that.

Maybe I'll put this out as a case study: I recall visiting a facility in Cape Breton; I think it was called the University College of Cape Breton. It seemed to be a combination of a college and a university all in one building. Much of the focus—and I did speak with some of the people involved—was not so much teaching, not so much learning. Given the tough economic environment up that way—Coal Harbour, Sydney, Cape Breton—the focus was on the community: community economic development and community economic renewal. The faculty—and, by extension, the students—were right out there in the community. That's where much of the teaching and learning was going on. But at the same time, you indicated jobs created within an hour of the college. They were actually out there working with employers, unions, community agencies and everybody else involved to try to turn things around and create jobs that way, at the same time teaching and learning were going on.

Any comments on that kind of structure? It's something we don't seem to see in Ontario in either the universities or the colleges. Even though we have some very serious pockets of economic devastation in Ontario, we don't seem to see these institutions addressing it.

**Mr. Jim Robeson:** I think at this point—and hopefully I will answer this correctly. In Kingston itself, like I said and like you just mentioned, because 80% of the graduates—who are 70,000 people, so just over 55,000—are in this area, I think the graduates do need to promote their experiences and what they've taken in. I hope I answered this right. It's the same with the universities. I think that really would make a difference, but I don't think this would be exactly the key to the labour shortage. I think it's one aspect that would make a difference, but at this point in time, like I said, more importantly, everything needs to be focused on the transferability, accessibility and affordability taking place. But I do agree with what you're saying.

**Mr. Toby Barrett:** Yes. And there aren't any right answers, by the way, but keep working on it. Thank you.

**The Chair (Mr. Pat Hoy):** And thank you for your presentation.

Our 3:30 has not arrived. We have indications that they are coming, so we'll recess until that occurs.

*The committee recessed from 1504 to 1513.*

#### FRONTENAC-KINGSTON COUNCIL ON AGING

**The Chair (Mr. Pat Hoy):** The standing committee on finance and economic affairs will now come to order. We have the Council on Aging with us presently. Gentlemen, you have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

**Mr. Brian Brophy:** I'm Brian Brophy, president of the Council on Aging.

**Mr. Clive Shepherd:** I'm Clive Shepherd, board member of the Council on Aging.

**Mr. Brian Brophy:** Thank you for this opportunity to participate in the consultation on the 2008 Ontario budget.

The Frontenac-Kingston Council on Aging is a registered charitable organization established in 1991 to support seniors in our community in terms of planning and service delivery as well as to provide education and awareness about issues affecting seniors to both the public and the decision-makers at all levels of government.

We are a member of the Councils on Aging Network of Ontario, CANO, as well as the Ontario Coalition of Senior Citizens' Organizations. Through CANO we participate in the senior secretariat liaison committee.

I'll start out with the recommendations.

Recommendation 1: that the government include seniors living in poverty in any policies developed to address the issue of poverty among children, people with mental illness, those with physical disabilities, and the chronically underemployed and unemployed who live among us.

We'll flip to recommendation 9: that the provincial government establish a voluntary pension plan, where employees of small business and the self-employed could contribute to well-managed, large pension plans since they do not have the sufficient income to independently invest for their future retirement income.

Recommendation 10: that the Employment Standards Act be amended to ensure that contract and part-time workers under 24 hours per week receive benefits based on an income scale in order to build some equity for their future.

We're flipping around a little bit.

Recommendation 2: that the government study the cost-benefit factor, such as the reduction in capital expenditures, if low-income seniors received subsidies which would permit them to stay in existing market rent apartments or in their own homes rather than supporting only the construction and subsidies for rent-geared-to-income apartment buildings.

Recommendation 3: that the government establish grants to non-profit organizations to establish supportive housing projects that may or may not require capital funding.

**Mr. Clive Shepherd:** Those first recommendations that Brian has just mentioned were in the financial and housing realms, as they affect seniors. I will now enunciate several more recommendations that are in the realm of health for seniors.

Recommendation 4: that the government expand the current financial supplement for special diets available to recipients of welfare and disability pensions to include seniors living on or below the poverty line.

Recommendation 5: that the government ensure that prescription drugs on the approved list are regularly reviewed, and more advanced drugs with fewer side-effects are added to the formulary.

Recommendation 6: that the government ensure that health policies that address the issue of dental care for children, welfare recipients and low-income earners also includes low-income seniors.

Recommendation 7: that the government consider providing a subsidy for incontinence pads and diapers for seniors living outside long-term-care facilities who are diagnosed as suffering from incontinence.

**Mr. Brian Brophy:** Recommendation 8: that the government annualize the one-time grants paid on March 31 in 2006 and 2007 from year-end surplus through the Ontario Seniors' Secretariat to organizations that provide referral and peer support to seniors experiencing elder abuse.

We await your questions. We have a rationale on these.

**The Chair (Mr. Pat Hoy):** Thank you very much. This round of questioning goes to the NDP.

**Mr. Michael Prue:** You've got a whole bunch of recommendations. Let's just go down the page. In number 2, you want a government study on the cost-benefit factor of not building low-income housing. I would assume you mean low-income seniors' housing here.

**Mr. Brian Brophy:** Yes.

**Mr. Michael Prue:** I'm from Toronto, and we have a waiting list for seniors' housing that is about a year or two long, or three years. If we have that many people looking for it, why would you think we should stop building it?

**Mr. Brian Brophy:** We have two on the books in Kingston now that are slated to be built. But it's the same as our school system: If we build all these bricks and mortars, once these baby boomers are through we're going to end up with a lot of empty buildings, which is the same situation that our schools are in now.

**Mr. Michael Prue:** But the baby boomers haven't retired yet. I'm at the leading edge of the baby boomers; I'm 60 years old and I'm not close to retirement yet. I really think they need to be built for people like me 20 years from now. They should be built, but you don't agree with that.

1520

**Mr. Brian Brophy:** In the South East LHIN region, there is not one supportive housing complex, although two are now on the drawing board. It has been proven that there are dramatic cost savings for governments by providing home care, reducing the time spent in hospitals and delaying admission to long-term care—and the fact that a lot of seniors who have the means can go to retirement homes. People who are living on GIS and old age security don't have those options. They range anywhere from \$2,500 to \$3,500 in this area.

**Mr. Michael Prue:** There was a time not too many years ago when it was quite common for seniors to live in poverty; it is less common today.

**Mr. Brian Brophy:** I disagree with you, sir.

**Mr. Michael Prue:** Statistics Canada thinks that the prevalence of people in their senior years who are living

in poverty has actually gone down. If you've got other facts, please let me know.

**Mr. Brian Brophy:** The recent government report A Portrait of Seniors in Canada states that 6.8% of seniors are low-income, more recently reduced to 6.1%. This figure has been used to indicate that poverty is being wrestled down. This figure does not square with the fact that Revenue Canada reports that 38% of seniors, mostly women, receive the guaranteed income supplement, which is only available to those who have no other income other than old age security. The combined GIS and OAS annual income amounts to \$13,092. Conventional printed wisdom establishes the poverty line as \$16,000 for an individual living in an urban area and \$12,000 for people living in rural areas.

**Mr. Michael Prue:** Then you are disputing the fact that 6.1%—and I would acknowledge that 6.1% are living in poverty. That's probably much lower than single mothers.

**Mr. Brian Brophy:** That's the general average, but 38% of seniors are living below the poverty line. That's from Revenue Canada.

**Mr. Michael Prue:** Right now, the Ontario government, which funds welfare and ODSP rates, will allow people to apply for a special diet allowance. We do not fund seniors. That's a federal program, the cheque. Are you saying that we should be funding the federal program? Is that part of your submission?

**Mr. Brian Brophy:** I believe that this issue affects all levels of government and they should all get together and do their part.

**Mr. Michael Prue:** The very thorny issue in number 5 regarding formulary drugs: Could you tell us how you would want the government to improve it? I know sometimes it takes too long for a new drug to get approved. Some come and some go every year.

**Mr. Brian Brophy:** As seniors, we value the drug coverage that Ontario now provides to seniors, but the

determinants used to approve drugs on the formulary list are somewhat of a mystery. Here's an example that has been brought to our attention: For the treatment of chronic asthma, the Ministry of Health has approved Pulmicort Turbuhaler budesonide. The Turbuhaler is a corticosteroid proven to contribute to thinning bones, resulting in higher likelihood of broken hips. To protect against thinning bones, a second medication such as Actonel is prescribed. There is also the additional cost of taking prescribed over-the-counter calcium and vitamin D to counteract the corticosteroid. It seems a little non-sensical, but there it is.

**Mr. Michael Prue:** That's a good example.

In number 6, you talk about dental care, and I commend you for that, because I don't think that's in the government's plan for dental care. My understanding is that seniors often have some of the worst dental problems in our population, certainly after a lifetime of tooth decay or of breakage of teeth and things as you grow older. Can you talk a little bit about seniors and dental care and why you think this is necessary?

**Mr. Brian Brophy:** While it is accepted that general health deteriorates when diet is restricted because of poor teeth or lack of dentures, it is only recently that this issue is receiving attention. As our focus changes from treatment for the sick to prevention and wellness, dental care becomes a fundamental issue. It's not just the fact that a nursing home may have to grind up someone's food so that they can eat it; it's not strictly nutrition, but it is restoring dignity to these people who may have had a lifetime of neglect through poverty.

**The Chair (Mr. Pat Hoy):** Thank you, gentlemen, for your presentation before the committee.

**Mr. Brian Brophy:** Thank you very much for your attention. We appreciate that.

**The Chair (Mr. Pat Hoy):** We are now adjourned.

*The committee adjourned at 1526.*



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